
Michigan Office of Financial and Insurance Regulation

Evaluation of the Michigan Medical Professional Liability Insurance Market 2000-2005

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Table of Contents

1. Executive Summary	1
2. Background	3
3. Data Sources	4
a. Michigan Claims Databases.....	4
b. Insurance Company Financial Statements	6
c. Medical Professional Liability Rates and Rate Filings.....	7
d. Other Sources.....	8
4. Discussion and Analysis	9
a. Coverage Availability	9
i. Operating Results.....	9
1. Michigan Claims Data	9
2. Accident Year Losses	18
3. Calendar Year Losses	21
4. Underwriting Expenses.....	23
5. Investment Income.....	24
6. Overall Operating Results.....	25
7. A.M. Best Ratings.....	26
ii. Competition.....	26
1. Licensed Insurers	26
2. Market Share and Concentration	28
3. Licensed Healthcare Providers	30
iii. Findings.....	30
iv. Contributing Factors	31
b. Coverage Affordability	32
i. Premium Changes	32
1. Medical Liability Monitor.....	32
2. Rate Filings	35
ii. Findings.....	36
iii. Contributing Factors	36
c. Overall Market Conditions	37
i. Conclusions.....	37
ii. Recommendations.....	37
iii. Impact on Access to Healthcare.....	37
5. Legal Disclosures.....	38
a. Distribution and Use	38
b. Reliances and Limitations.....	38

Exhibits

Glossary of Terms

Charts & Figures

<u>Figure #</u>	<u>Description</u>	<u>Page #</u>
Figure 1.	Reported Claims by Report Year	10
Figure 2.	Reported Claims by Profession.....	11
Figure 3.	Closed Claims by Closure Year	12
Figure 4.	Percentage of Closed Claims by Closure Lag.....	13
Figure 5.	Closed Claims by Resolution Type.....	14
Figure 6.	Closed Claim Severity by Closure Year	15
Figure 7.	Closed Claim Severity by Closure Lag.....	16
Figure 8.	Closed Claim Severity (Indemnity & Expense Separately) by Resolution Type	17
Figure 9.	Frequency Trends by Accident Year	19
Figure 10.	Severity Trends by Accident Year	19
Figure 11.	Accident Year Reserve Development by Year	21
Figure 12.	Calendar Year Loss Ratios by State.....	22
Figure 13.	Medical Malpractice Underwriting Expense Ratios by Year	23
Figure 14.	Medical Malpractice Industry Investment Income from Insurance Ops. by Year....	24
Figure 15.	Authorized and Active Insurers in Michigan by Year	27
Figure 16.	2005 HHI by State	29
Figure 17.	Medical Liability Monitor Rates for OB/GYNs by State (2000-2005)	33
Figure 18.	Medical Liability Monitor Rate Maps	34-35

Exhibits

- Exhibit 1. Reported Claims by Report Year
- Exhibit 2. Reported Claims by County
- Exhibit 3. Reported Claims by Profession
- Exhibit 4. Closed Claims by Incident Year and Closure Year
- Exhibit 5. Closed Claims by Resolution Method
- Exhibit 6. Closed Claim Severities by Closure Lag
- Exhibit 7. Closed Claim Severities by County
- Exhibit 8. Accident Year Frequency and Severity by Insurer
- Exhibit 9. Accident Year Reserve Development by Insurer
- Exhibit 10. Industry Calendar Year Experience by State
- Exhibit 11. Calendar Year Experience by Insurance Group
- Exhibit 12. Insurance Company Ratings
- Exhibit 13. Number of Licensed Insurers
- Exhibit 14. Premium Market Share by Insurance Group and Year
- Exhibit 15. Physician and Hospital Market Shares by Company and Year
- Exhibit 16. Market Share and Market Concentration by State
- Exhibit 17. Number of Licensed Healthcare Providers
- Exhibit 18. Premium Levels by State and Year
- Exhibit 19. Michigan Premium Levels by Insurer and Year
- Exhibit 20. Rate Change History by Company

Office of Financial and Insurance Regulation

Historically, government regulated insurance, financial institutions (banking, consumer finance and credit unions), and securities separately, and a Depression-era federal law known as the Glass Steagall Act (adopted in response to the bank failures following the 1929 stock market crash) specifically prohibited a bank from offering securities and insurance products or engaging in commercial banking. The federal Financial Services Modernization Act of 1999, also known as Graham Leach Bliley Act (GLBA) repealed the Glass Steagall Act barriers and allowed financial service holding companies to engage in any activity financial in nature so long as it did not cause a safety or soundness issue to the overall financial system.

With changing complexities in insurance, banking and securities companies, the old-fashioned regulatory model could not keep pace with the marketplace. Michigan became the first state to coordinate the regulation of insurance, financial institutions and securities into one governmental agency consistent with financial services modernization. Effective April 2000, the Office of Financial and Insurance Services (OFIS) was created by executive order to consolidate the Bureaus of Insurance, Financial Institutions, and the Securities Division of the former Corporations, Securities and Land Development Bureau. The creation of OFIS allowed Michigan regulators to become adept at interpreting and regulating complex services entities that did not exist a few years ago.

On February 1, 2008, Governor Granholm signed Executive Order 2008-02, which became effective April 6, 2008. The order changed the official name of OFIS to the Office of Financial and Insurance Regulation (OFIR) to reflect its regulatory and consumer protection focus.

Today, OFIR is responsible for the regulation of Blue Cross Blue Shield, 27 HMOS, 137 banks, 169 domestic insurance companies, 221 credit unions, 1,303 foreign insurance companies, 1,750 investment advisers, 2,100 securities broker-dealers, 7,772 consumer finance lenders, 146,419 insurance agents, and 115,000 securities agents. OFIR licenses or charters these entities, conducts safety, soundness, and compliance examinations, and protects and educates Michigan consumers of financial services. Through adaptability and consumer communication, the Commissioner and staff of the OFIR strive to be the preeminent financial regulators in the United States.

Overseeing OFIR is Commissioner Ken Ross who was appointed by Governor Jennifer M. Granholm effective February 22, 2008.

1. EXECUTIVE SUMMARY

In the late 1990's and early 2000's, many parts of the U.S. medical professional liability insurance industry found themselves immersed in self-described "crisis" conditions which were manifested in symptoms, such as:

1. an increase in the number and magnitude of large settlement claims,
2. a deterioration in the operating results of medical professional liability insurers that led to a significant number of insolvencies, withdrawals, and rating agency downgrades,
3. a reduction in coverage availability due to fewer insurers providing coverage to new insureds,
4. an escalation in the premiums healthcare providers were paying for medical professional liability insurance; particularly in some regions within states (e.g., rural or metropolitan areas) and physician specialties (e.g., emergency medicine, OB/GYN), and
5. a reduction in patients access to care in certain geographic areas (states and rural areas), and treatments/procedures (e.g., labor and delivery, mammograms, trauma centers).

There is no consensus on the magnitude of each of these symptoms and its materiality. There is even more divergence of opinion regarding the root causes of these symptoms. The one area that the vast majority of the parties involved in medical professional liability would agree on is that the current system is incredibly inefficient and in need of improvement.

The primary goal of this report is to evaluate the condition of the Michigan medical professional liability insurance market during the period from 2000 to 2005 during the later part of this era, evaluate factors that contributed to Michigan's results, and recommend possible improvements to the system.

The data, charts, graphs, statistical analyses, and explanations in this report should equip policymakers with a foundation of comprehensive, unbiased, and understandable information on which to base their decisions.

Overall, the Michigan medical professional liability insurance market can be described as remarkably stable during an extremely volatile period for the industry. Significant findings and trends are summarized below:

- Claims frequency steadily declined during the period.
- Michigan insurance companies generally experienced stable loss ratios and operating ratios that resulted in profitable results within the state, quite contrary to overall industry results.
- The number of insurers authorized and actively writing coverage decreased much less than in other states and market concentration improved slightly, demonstrating more competition.
- Rate levels increased only moderately while rates in other states experienced dramatic increases, in some cases tripling or quadrupling during the period.
- Overall claim severities increased during the period, particularly the loss adjustment expense component.
- Increasing claims settlement/closure lags and greater reliance on verdicts, instead of settlement or alternative dispute resolutions (ADR) methods, such as arbitration or mediation; both contributed to the claim severity inflation.
- The number of healthcare providers in the state increased slightly, at a time when other states are seeing reduced access to healthcare as a result of the “crisis” conditions in the industry.

Based on this information, Pinnacle recommends that legislators in the state might consider:

- An evaluation of the mediation panels in Michigan to determine if they are functioning as they were intended.
- Other alternative dispute resolutions (ADR) methods as a means of accelerating claims settlement times and increasing system efficiency, thus increasing the percentage of system costs received by the patient.
- A physician apology law, particularly one that encourages the physician training, coordinated claims handling, and mandatory disclosure elements seen in the best versions of these laws.
- A patient compensation fund (PCF) that provides excess coverage above primary coverage provided by traditional insurance companies, similar to those in Indiana and Wisconsin should be considered.

2. BACKGROUND

MCL 500.2477d(a) and MCL 500.2477 d(c) requires the Commissioner of the Michigan Office of Financial and Insurance Regulation (OFIR) to produce a biennial report on the state of the medical professional liability insurance market.

The main thrust of this study is an evaluation of historical results in the industry and trends in the availability and affordability of coverage in Michigan from 2000 through 2005. Further, an evaluation of the impact this has on changes in the access Michigan residents have to healthcare is also desired.

The analysis has five major components:

- 1) An evaluation of Michigan medical professional liability insurance company and industry operating results,
- 2) An analysis of the number of carriers providing coverage, entering the market, exiting the market, and being upgraded and downgraded by rating agencies,
- 3) A finding on trends in coverage availability and a review of factors influencing competition for medical professional liability insurance in the state,
- 4) An analysis of rates charged and premiums paid by healthcare providers in the state of Michigan during the period, and
- 5) A discussion of the factors that influence the system and ways to improve the affordability and availability of coverage and thus increase access to care.

The ***Discussion & Analysis*** section of the report has been organized into three main sections to organize the analysis into logical components:

- Coverage Availability
- Coverage Affordability
- Overall Market Conditions

3. DATA SOURCES

The extremely broad scope of this assignment necessitated the use of a wide variety of data sources. The types of data compiled for this report generally fall into the following categories:

1. Michigan Claims Database
2. Medical Professional Liability Rates and Rate Filings
3. Insurance Company Financial Statements
4. Other Sources

A brief description of the data sources utilized in each area along with a description of the key data elements and potential limitations of the data follows for each category.

3.a Michigan Claims Databases

One of the most valuable databases available to legislators and other policymakers and stakeholders involved in medical professional liability insurance is a statewide closed claim database. Data sets of this type have been used effectively in several states for many uses including the analysis of medical malpractice claims trends, crisis conditions and costing proposed legislation, and the impact of implemented laws.

Many states, such as Oregon, Florida, and Maine, have followed a template developed by the National Association of Insurance Commissioners (NAIC) in the mid 1970s. This form was developed to collect data on closed claims only and contained a significant amount of information about the healthcare provider (e.g., name, specialty, location county, zip code), the injured patient (age, sex), the incident (date, location, procedure, nature of complaint), the claim process (report date, settlement date, lawsuit date, attorney involvement, arbitration), and the settlement (paid indemnity [economic versus non-economic], loss adjustment expense, insurance limits).

Michigan's form is superior to the NAIC standard in several ways. First, Michigan collects data on the initial report of a claim. Second, Michigan collects several fields not in the NAIC template. A list of fields contained in the Michigan forms follows.

Michigan Medical Professional Reported Claims Database (Form A) Database Specifications

Reported Claim Database – Claim level data

Identifying Fields

Insured Name
 Insured License Number
 Insured Profession
 Insured Specialty
 Other Defendants Involved (Y/N?)
 Number of Defendants Involved
 Date of Incident
 Date of Complaint Filed
 Nature of Complaint
 County Code Number
 Court Identification (District or Circuit)
 Court ID
 NAIC Insurance Company Code

Michigan Medical Professional Closed Claims Database (Form B) Database Specifications

1. Claim Database – Claim level data

Identifying Fields

Insured Name
 Insured License Number
 NAIC Insurance Company Code
 Court or Arbitration ID
 County Code Number
 Plaintiffs Name
 Insurance Type (Insurance vs. Self-insurance, Occurrence vs. Claims-Made)
 Date of Incident
 Date of Complaint Filed
 Date of Claim Report
 Date of Claim Closure
 Injured Party Age
 Injured Party Sex
 Injured Party Type (Patient/Other)
 Medical Expense Payor (Medicare, Medicaid, Health Insurance, Other, Unknown)
 Resolution of Claim
 Nature of Complaint/Injury Type
 Location of Injury
 Severity of Injury
 Hospital Involvement (Y/N)
 Hospital Employee Involvement (Y/N)

Numeric Fields

Allocated Loss Adjustment Expense Amount
 Award Amount (Indemnity)
 Award Amount (Economic)
 Award Amount (Non-Economic)
 Award Amount (Indemnity, All Parties)
 Award Amount (Indemnity, Uninsured Codefendants)

In 2006-2007, Pinnacle compiled this data into an electronic format and performed an analysis of the trends in claim frequencies and severities. Some of the information from that analysis is also pertinent in this study.

3.b Insurance Company Financial Statements

One extremely useful aspect of the current regulation of insurance companies in the U.S. is that insurers are required to provide significantly more financial information annually than many industries. The National Association of Insurance Commissioners (NAIC) prescribes a standardized format for the Annual Statement required from all property and casualty insurance companies licensed in the United States. This Annual Statement is supported with an extremely detailed codification of the accounting rules that must be followed when producing the statement. The statement contains such information as balance sheets, income statements, cash flow detail, premium breakdowns by line and state, reinsurance analysis, investment holdings (as well as sales and acquisitions), expense analyses, and a wide variety of interrogatories related to matters that require additional description and documentation (e.g., accounting rules, asbestos claims liabilities, ownership structures). Because of the extensive data requirements and the mandatory nature and structure of the Annual Statement, it serves as a tremendous resource for analyzing insurance industry trends.

The A.M. Best Company and other vendors have developed products that compile the annual statement data and make it easy to summarize and aggregate. We have used the A.M. Best Company databases as resources in developing our analyses of insurance industry statistics and trends. We have used annual statement data to review both industry and company results in such diverse areas as loss reserve adequacy, loss frequencies and severities, underwriting expenses, asset distributions, investment income, loss adjustment expenses, and market concentrations of premiums. In addition to all of the annual statement data from A.M. Best, we also utilized their insurance company ratings as a measure of insurer financial strength in our analysis.

3.c Medical Professional Liability Rates and Rate Filings

A valuable resource for historical rate levels of key insurers in all states is the Medical Liability Monitor. This publication conducts an annual survey of the leading medical malpractice insurers in all 50 states. Typically, data from several insurers is available in a given state for three key physician specialties (internists, general surgeons, and OB/GYNs). This information is a widely recognized and accepted resource. Pinnacle has performed an internal analysis of the Medical Liability Monitor data for the period from 2000 through 2005 to create an assessment of industry rate change trends by specialty and state over time.

A couple of caveats about this approach to industry rate levels are necessary. First, the rate change history for the leading writers of medical malpractice for three specialties is not a precise measure of overall rate levels for the entire industry. Medical malpractice insurers do not move in lock step with the leading writers, although there are generally cyclical trends in overall rate levels that can be seen in the rate levels of industry leaders. Another important caveat is that other factors, including limits and self-insured retentions selected, movement from traditional insurance to self-insurance, and the impact of claims-free credits and experience rating changes are not measured in manual rate changes. Finally, some states have experienced a significant number of market exits, both voluntary and involuntary, in the last few years. In some cases, the carriers providing data to the Medical Liability Monitor changed from year to year. In some instances, this created a disconnect in the available insurance carriers from one year to the next. Pinnacle made every effort to measure a reasonable estimate of the movement in a state's overall rate levels given the information available.

Specific information for leading insurers in Michigan was made available by the Michigan OFIR when information was contained in publicly available insurance company rate filings. Several of the leading insurers in the state were extremely helpful and cooperative in providing additional information, not required in rate filings, in response to an OFIR request. OFIR assisted us greatly in all of these efforts.

3.d Other Sources

Two additional types of data were provided for our analysis. This information helped us assess the number of healthcare providers in the state and the number of insurers operating within the medical professional liability market in Michigan.

The Michigan Department of Community Health, Bureau of Health Professions (BHP) was extremely helpful in developing our understanding of changes in the availability of healthcare coverage in the state during the period. Specifically, they were able to provide detailed listings of the number of licensed healthcare providers by profession (chiropractors, dentists, medical doctors, registered nurses, and doctors of osteopathic medicine), county, and year.

While the BHP licensing data is a tremendous tool for assessing the number of licensed or registered healthcare providers, it is not a precise measure of healthcare availability. The number of licensed healthcare providers is not totally comparable to the number of *practicing* healthcare providers due to the impact of those providers that:

- Retained their license and ceased to practice,
- Retained their license and relocated their primary practice to another state,
- Restricted the type or number of treatments/procedures performed in their practice, or
- Retained their license and moved to “part time” work loads or “semi-retired” status.

Noting these limitations, and the lack of a readily available alternative data source that better quantifies the situations described above, we view the BHP data as the best available data. We believe that changes in “licensed” healthcare providers will be directionally the same as trends in the number of “practicing” providers, and thus healthcare availability. We greatly appreciate the assistance BHP provided with this project.

On a similar note, OFIR was extremely helpful in producing a database of changes in the number of insurance companies authorized to write medical malpractice insurance coverage during the period. While this was not our only measure in changes in the competitiveness of the marketplace, it did provide a facet of marketplace we could not have gotten any other way.

4. DISCUSSION & ANALYSIS

The analysis in this report is broadly organized into three main categories of analysis:

- Coverage Availability
- Coverage Affordability
- Overall Market Conditions

The results of each section of analysis will be discussed separately.

4.a Coverage Availability

When considering the forces that impact the availability of coverage several questions must be considered. Some of the key questions addressed by this section of the analysis are:

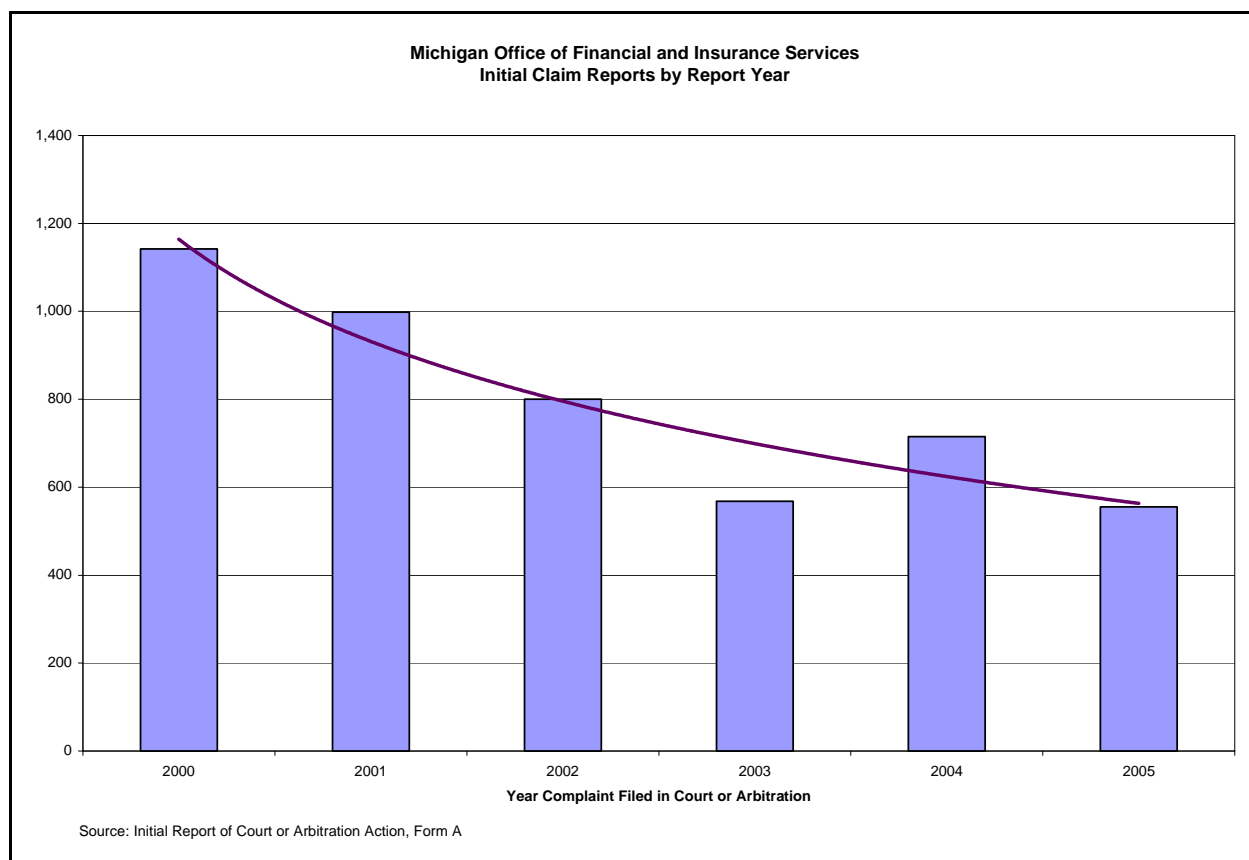
- What trends can be seen in claim frequencies and severities in Michigan during the period?
- What other insurance company trends (e.g., investment income, underwriting expenses) can be seen in Michigan during the period?
- How did these trends impact insurance company operating results?
- How did these operating results impact the company's ratings?
- Based on this information, how did the level of market competition change as measured by the number of insurers entering or exiting the state?
- How did the number of licensed healthcare professionals change during the same period?

4.a.i Operating Results

4.a.i.1 Michigan Claims Data

One of the most important results of last year's Michigan closed claims study related to the steady decline in reported claims between 2000 and 2005. As you can see in Figure 1, with the exception of report year 2004, reported claims for the period show a steady decreasing trend. For the period 2000-2005 this trend is approximately a 13.4% annual decrease from over 1,100 claims to less than 600 claims. This appears to be a material improvement in the number of insured claims reported during the period. This data is also shown summarized in Exhibit 1.

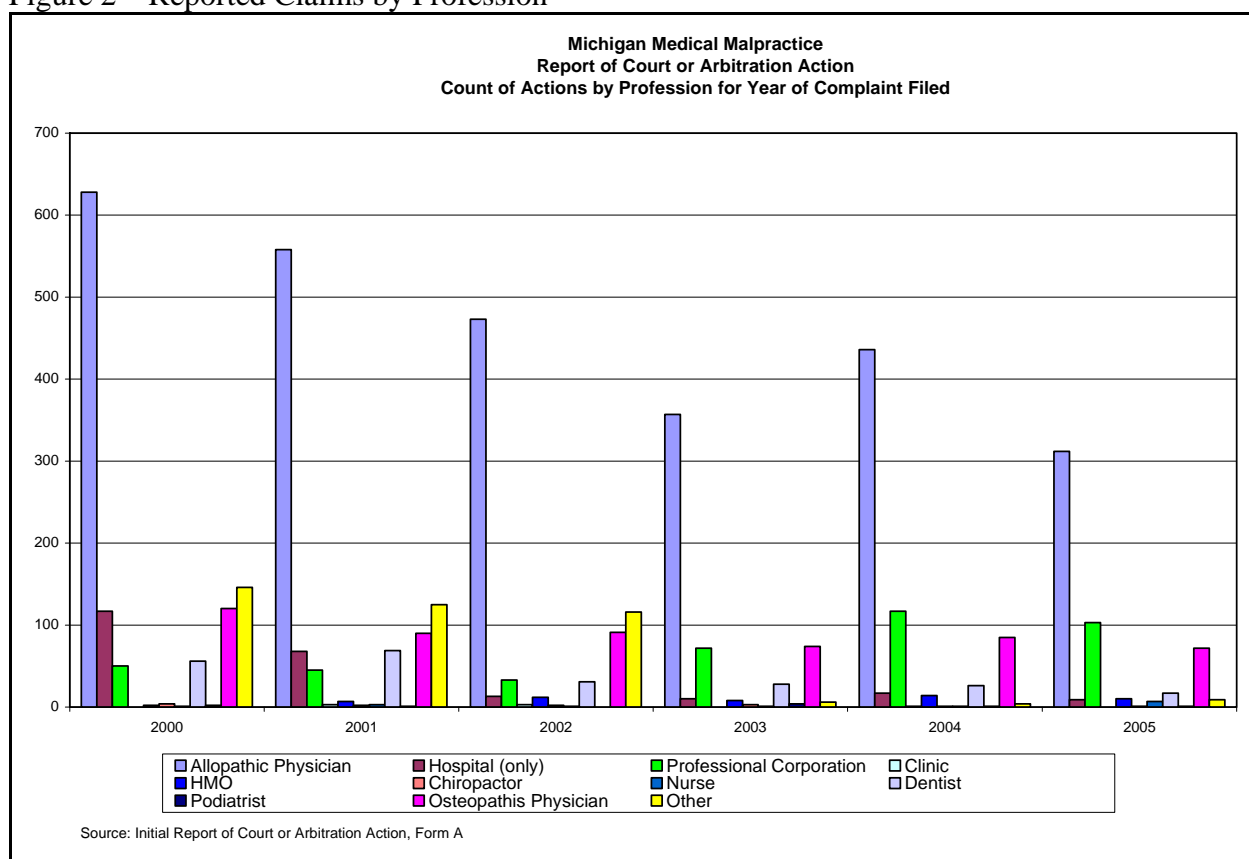
Figure 1 – Reported Claims by Report Year



Reported claims were also summarized by report year and county. This information is summarized in Exhibit 2. Among the largest counties in the state, Calhoun, Genessee, Macomb, Wayne, and Washtenaw, each had claim trends similar to the statewide average. Ingham, Kalamazoo, and Oakland counties all materially outperformed the state average and only Saginaw County among those with over 100 claims during the period does not show an appreciable decrease in reported claim frequency. Pinnacle’s previous report also suggested that claim counts were decreasing at a faster rate in district court regions I and II (the two southern district court regions of the state).

A final dimension of overall reported claims trends is differences by profession of the healthcare provider involved in the claim. This information is summarized in Exhibit 3 and shown graphically below in Figure 2. Allopathic physicians reported claims decreased at a slightly faster rate than osteopathic physicians. Dentists showed a much greater percentage reduction in reported claims, as did hospitals.

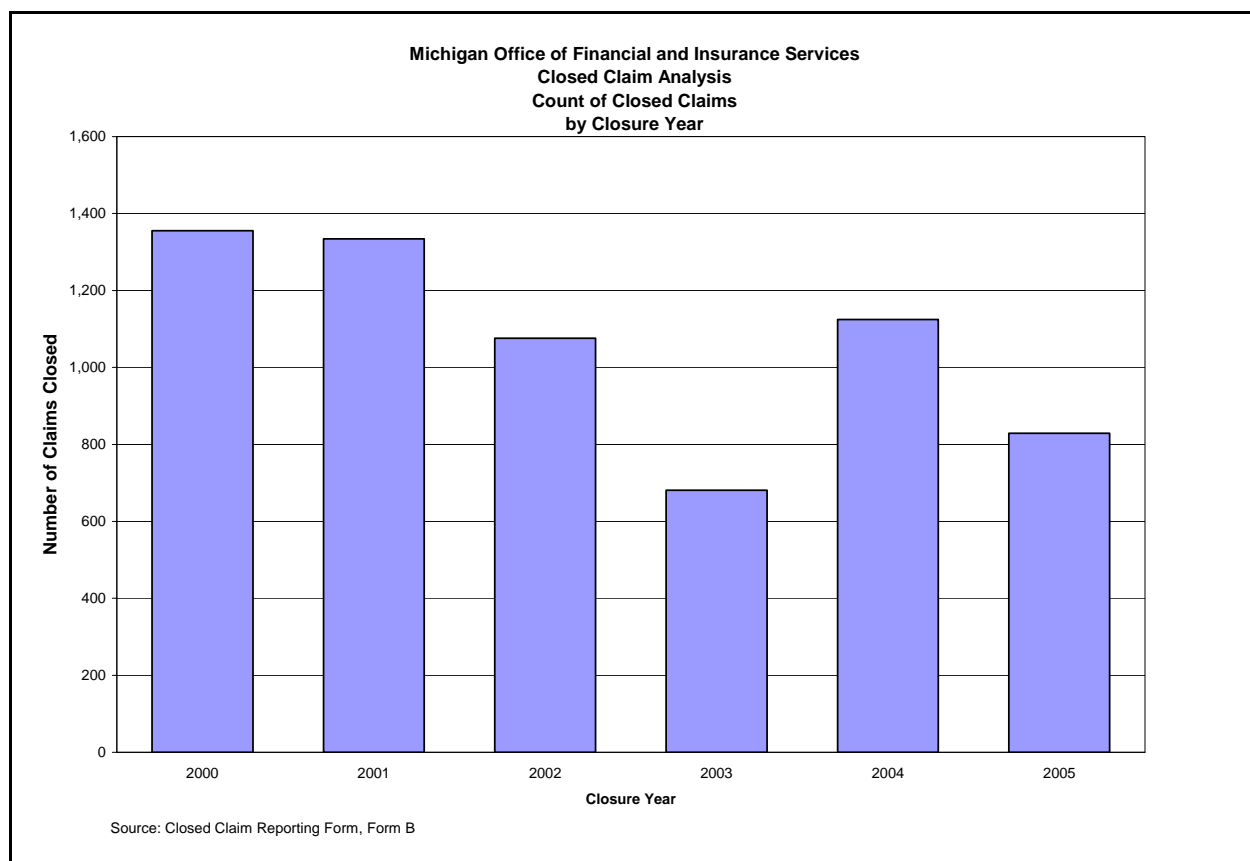
Figure 2 – Reported Claims by Profession



In many ways, the closed claim count data behaved quite similarly to the reported counts. Total closed claims decreased between 2000 and 2005 from 1,355 to 829, a decrease of almost 40%.

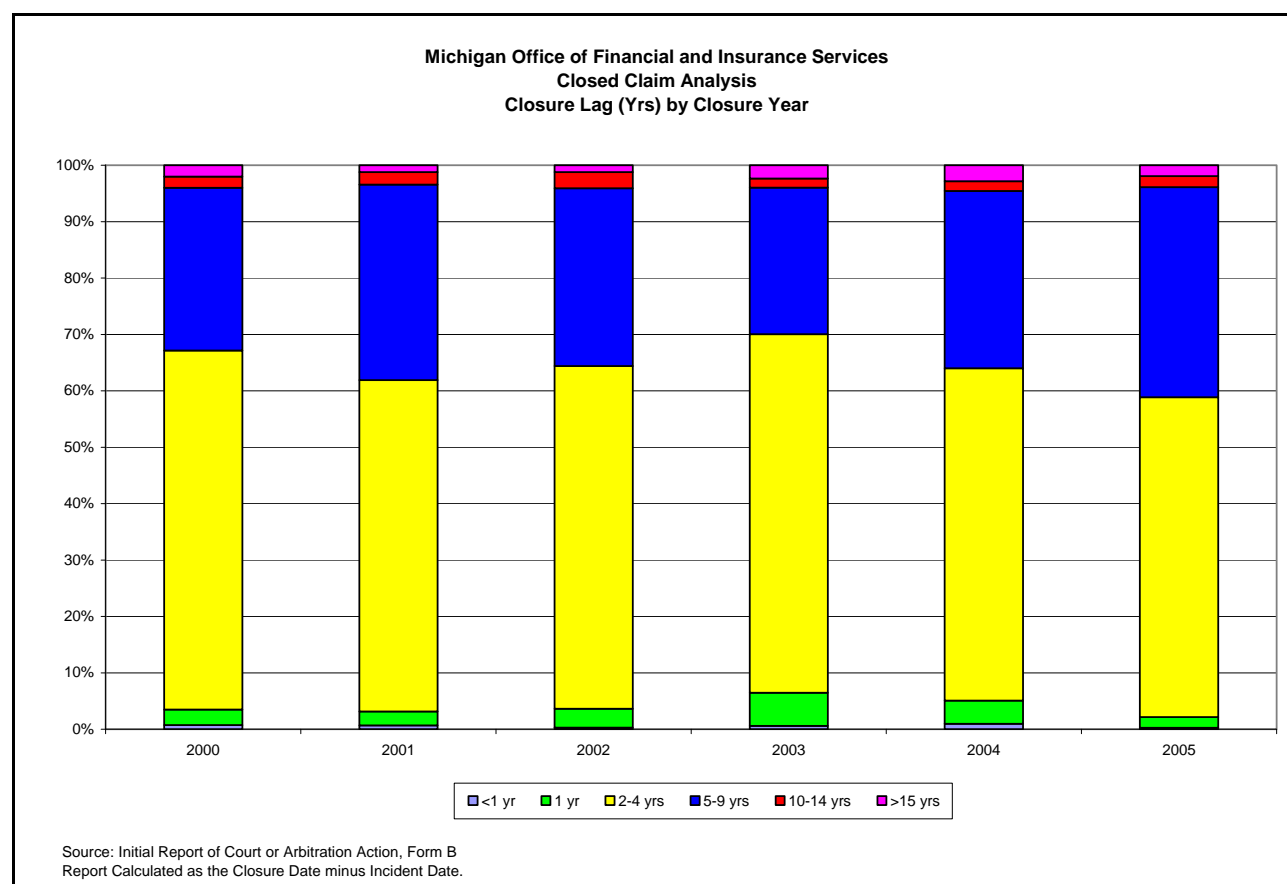
Figure 3 shows total claim counts by closure year.

Figure 3 – Closed Claims by Closure Year



One interesting additional analysis in the closed claims study related to trends in settlement/closure lags. Exhibit 4 shows that the average settlement lag for a claim during the period was almost four and a half years and increased in more recent years. This significant delay between the occurrence of a claim and its settlement plays an important role in how insurance companies approach reserves for unpaid claims liabilities, which can still be quite uncertain several years after a claim is reported. Further, this uncertainty in claims costs also impacts how quickly insurance companies can pass favorable claims experience on to their insureds in the form of lower rates. This delay between changing claims trends and corresponding rate changes is a significant contributor to the underwriting cycle – a cyclical behavior commonly seen in insurance company operating results. Figure 4 shows the distribution of claims by year closed and closure lag.

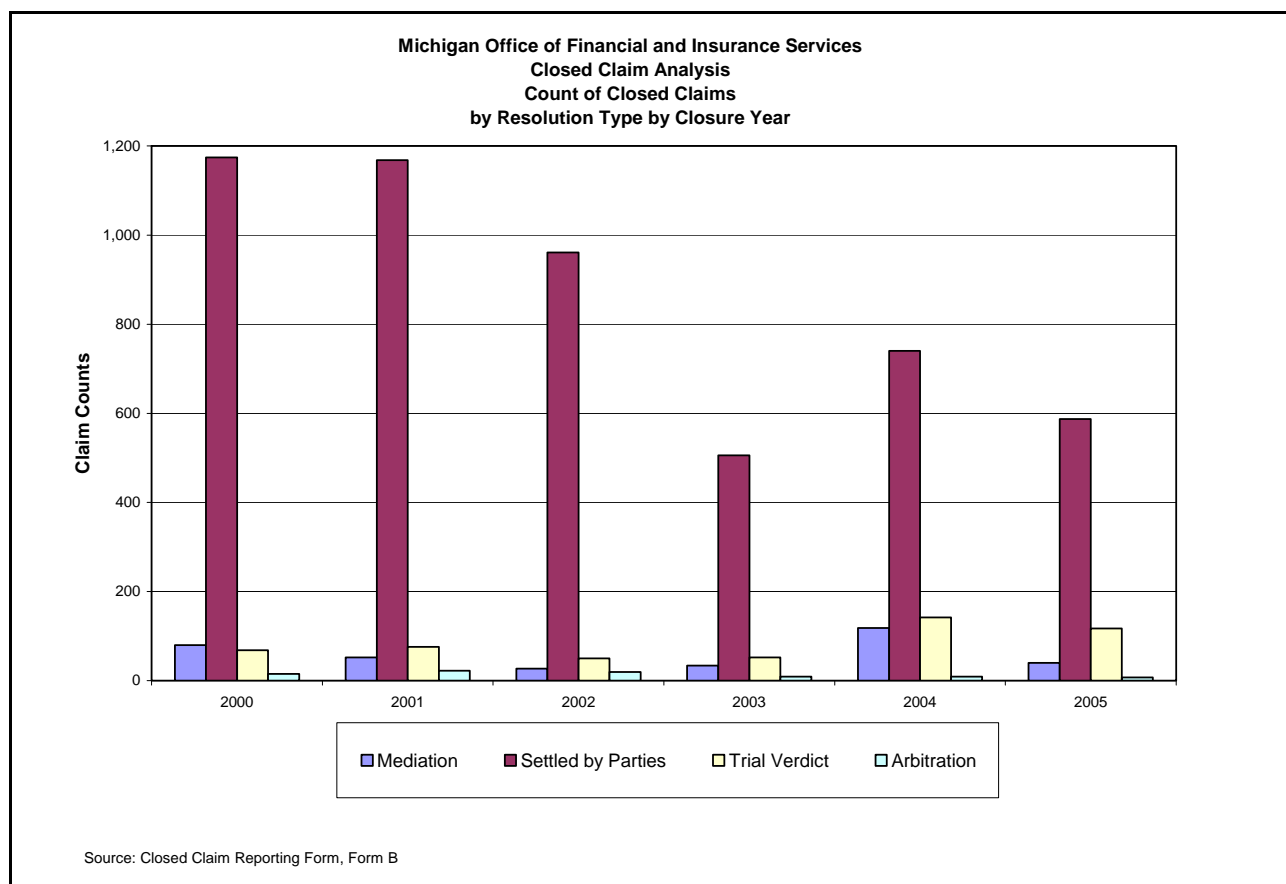
Figure 4 – Percentage of Closed Claims by Closure/Settlement Lag



One of the more disconcerting statistics from last year's closed claim count study was the shift away from settlements by the parties and toward increased reliance on trial verdicts. This trend has been shown in other states to slow down patient receipt of claim settlements (i.e., increased closure lags), increase attorney fees (loss adjustment expenses) as a percentage of total loss payments, and deteriorate system efficiency as measured by patient compensation as a percentage of total system expenditures. It may explain the higher than average closure lag in 2005. Results are summarized in Exhibit 5.

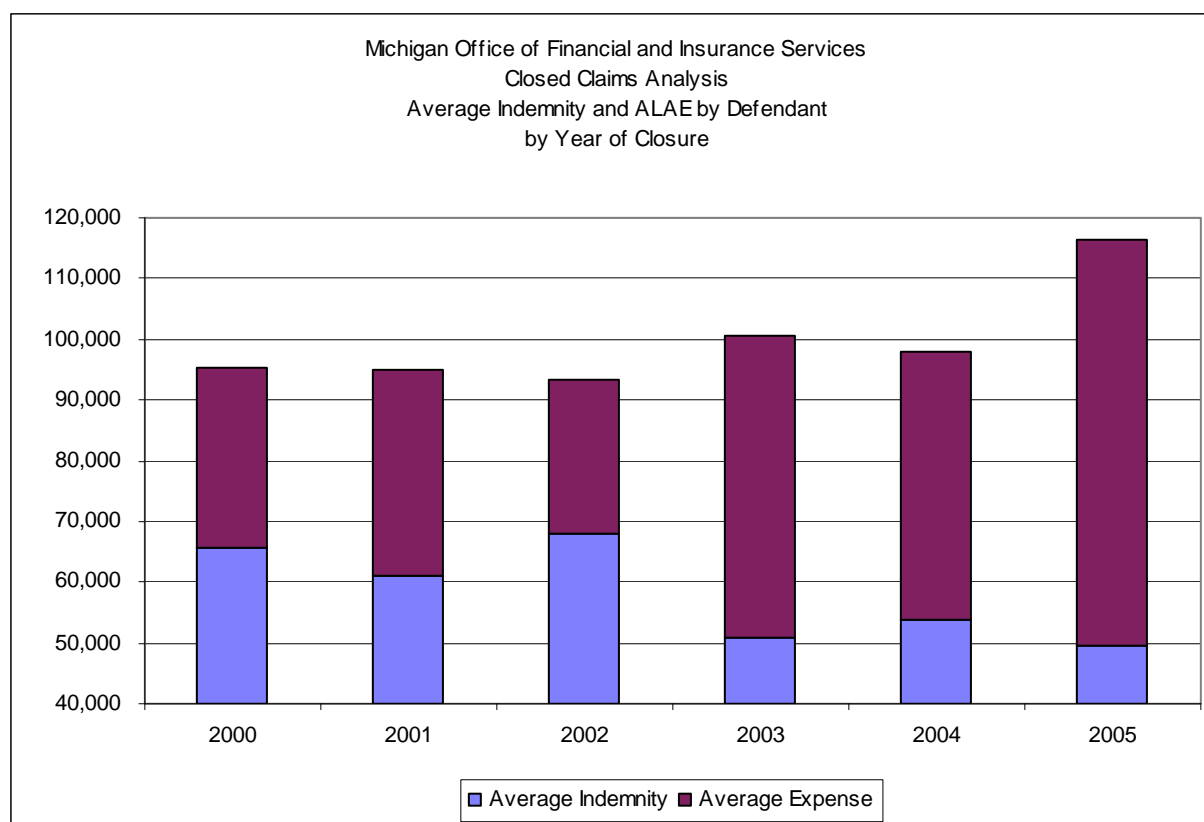
Another key trend is the use of alternative dispute resolution (ADR) techniques such as mediation and arbitration. These ADR techniques generally speed up patient compensation, dramatically increase system efficiency and may increase overall patient compensation. Unfortunately, as shown in Figure 5 below, neither mediation nor arbitration demonstrate a consistent increasing percentage of closed claims between 2000 and 2005. There may be a tremendous opportunity for overall system improvement available through encouraging greater use of the resolution techniques.

Figure 5 – Closed Claims by Resolution Type



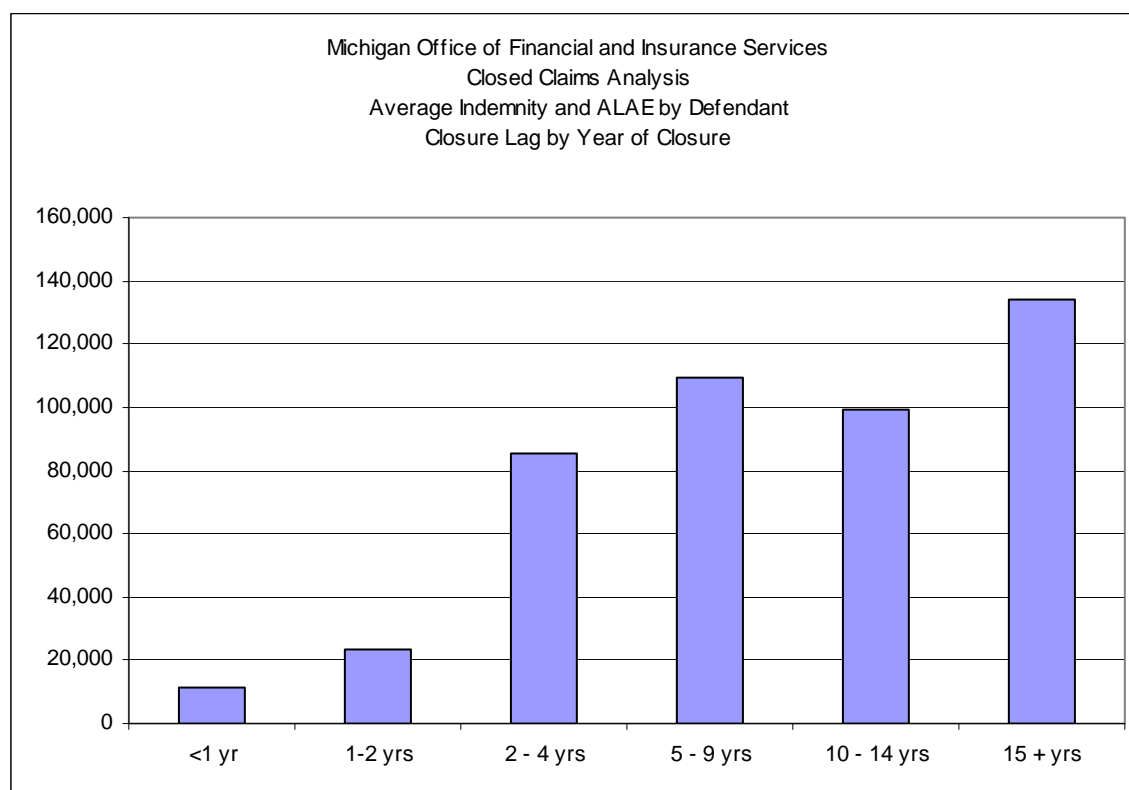
Claim severity trends play a significant role in the operating results for medical professional liability insurers and also the level of competition in a market as they are vital in the rate setting and loss reserving processes. The overall statewide trend appears to be steadily decreasing indemnity severities and increasing allocated expense severities. This is a disconcerting finding in that insurer and healthcare provider costs per claim appear to be increasing while patient compensation per claim appears to be decreasing. Interestingly, this phenomenon appears to manifest itself across most injury types and severity of injury categories. This information is shown in Figure 6 below.

Figure 6 – Closed Claim Severity by Closure Year



In every state where Pinnacle has reviewed closed claim data, closed claim severities by closure lag tend to increase dramatically the longer a claim stays open. Exhibit 6 and Figure 7 show that Michigan is no exception. Claims settled within a year of the incident have an average severity of about \$11,000 while claims settled in between two and four years average over \$80,000. This is due in part to the greater average severity of injury on these claims that take longer to settle. Generally, this trend continues even for settlement lags in excess of five or even ten years.

Figure 7 – Closed Severity by Closure Lag



To avoid subdividing the severity data into too many categories, the data for 2000-2005 was summarized by county and is provided in Exhibit 7. Among the counties with a large number of claims, Wayne and Saginaw have some of the highest average closed claim severities and Genesee and Oakland counties have relatively low average severities.

The shift to a greater percentage of claims being settled by verdict and fewer being settled by mutual settlement of the parties has contributed directly to the increased average defense costs per claim as well as the lower average indemnity payment per claim. Mediation and arbitration severities are of somewhat questionable value due to the limited number of claims. Figures 8A and 8B illustrate this quite clearly.

Figure 8A – Closed Indemnity Severity by Resolution Type

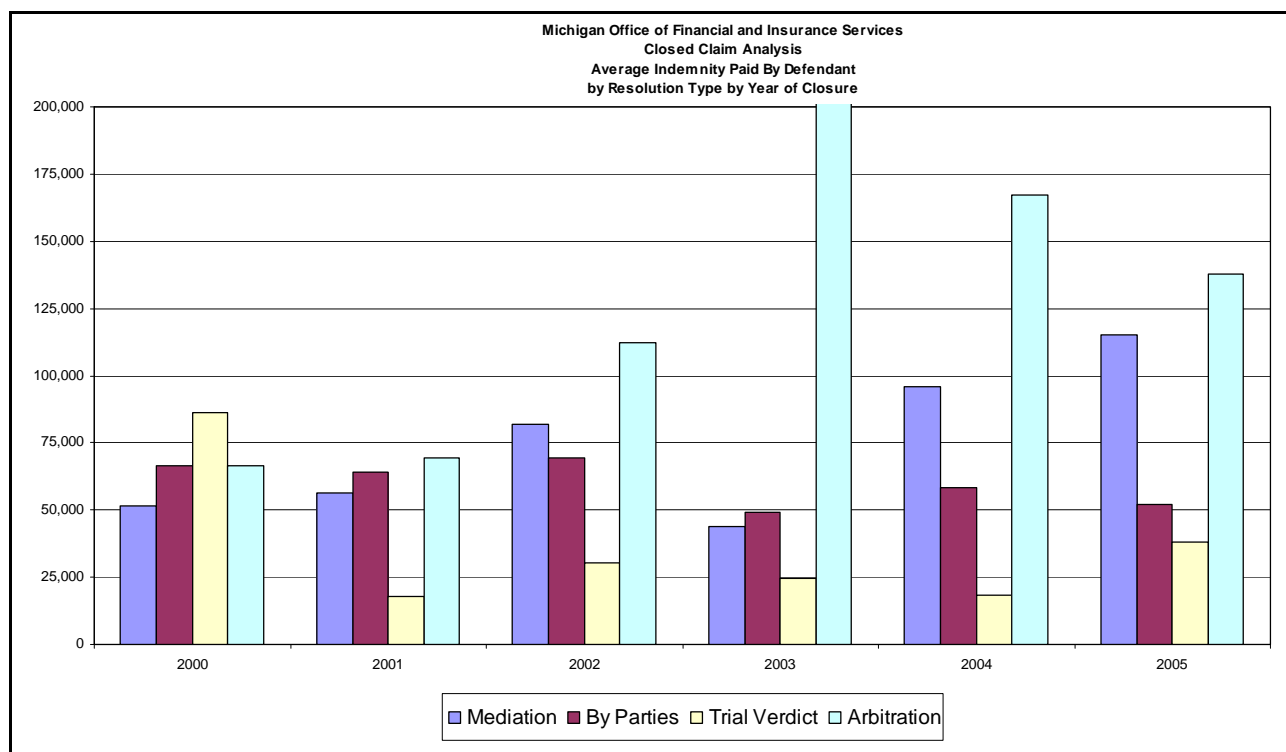
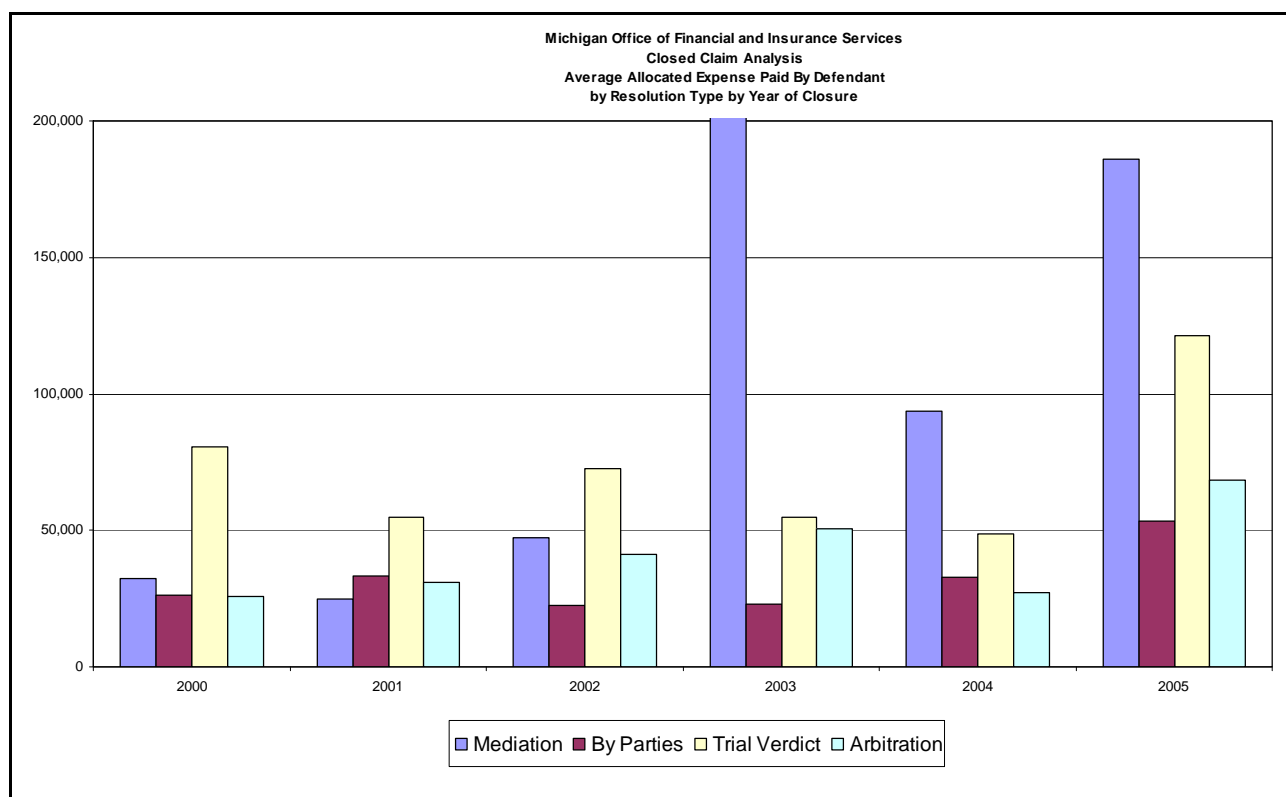


Figure 8B – Closed Allocated Expense Severity by Resolution Type



4.a.i.2 Accident Year Losses

Another way to evaluate claims trends is to examine annual financial statement data for leading Michigan insurers. One very useful part of the financial statements is Schedule P, which contains countrywide premium and loss data by accident year. Schedule P also contains the insurance company's best estimate of unpaid claims liabilities. Unfortunately, Schedule P is countrywide data so it does not allow us to isolate Michigan experience; however, several of the leading insurers in Michigan have such a large percentage of their exposure in Michigan that the analysis still contains useful information.

We reviewed data on the frequency and severity of claims for the total industry and five leading Michigan insurers: American Physicians (APC), MHA Insurance, Michigan Professional Insurance Exchange (MPIE), ProAssurance Group (ProNational), and Medical Protective (Med Pro). The results are shown in Exhibit 8 and Figures 9 and 10. The only selections this analysis requires Pinnacle to make are estimates of the claim reporting patterns for the industry and the selected companies. We do not believe that the variability introduced by our estimates materially impacts the findings.

Interestingly, the accident year data shows frequency trends (Figure 9) quite similar to the Michigan claims detail (Figure 1). There has been a steady downward trend in claim frequencies per dollar of premium from 2000 to 2004 and a bit of a steadying in 2005. Please note that these frequencies are impacted not only by claims trends but also rate changes, which were generally increases during this period. All else being equal, increasing rates will cause this frequency statistic to decrease. More on the rate changes during this period later in the report.

Equally interesting is that overall claim severity trend for the industry and the selected carriers, as shown in Figure 10, are directionally quite similar to the closed claims results shown in Figure 6. The increasing severities in 2003-2005 are common to both figures. The absolute severities are somewhat different due to discrepancies in how claims are counted and mismatches created by the comparison of closed claims to accident year claims experience. It is also noteworthy that the Michigan industry leaders tend to perform at least as well as the countrywide average in frequency trends, while the severity trends in 2003-2005 are not seen in the countrywide data.

Figure 9 - Frequency Trends by Accident Year

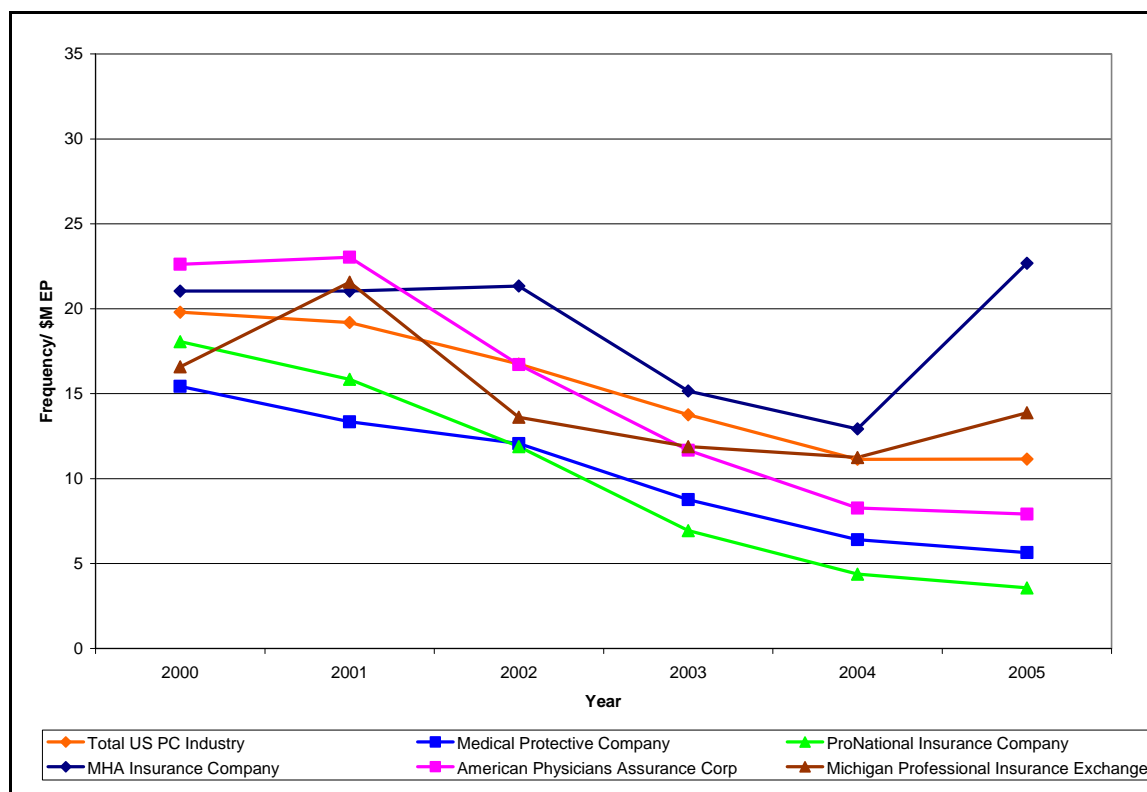
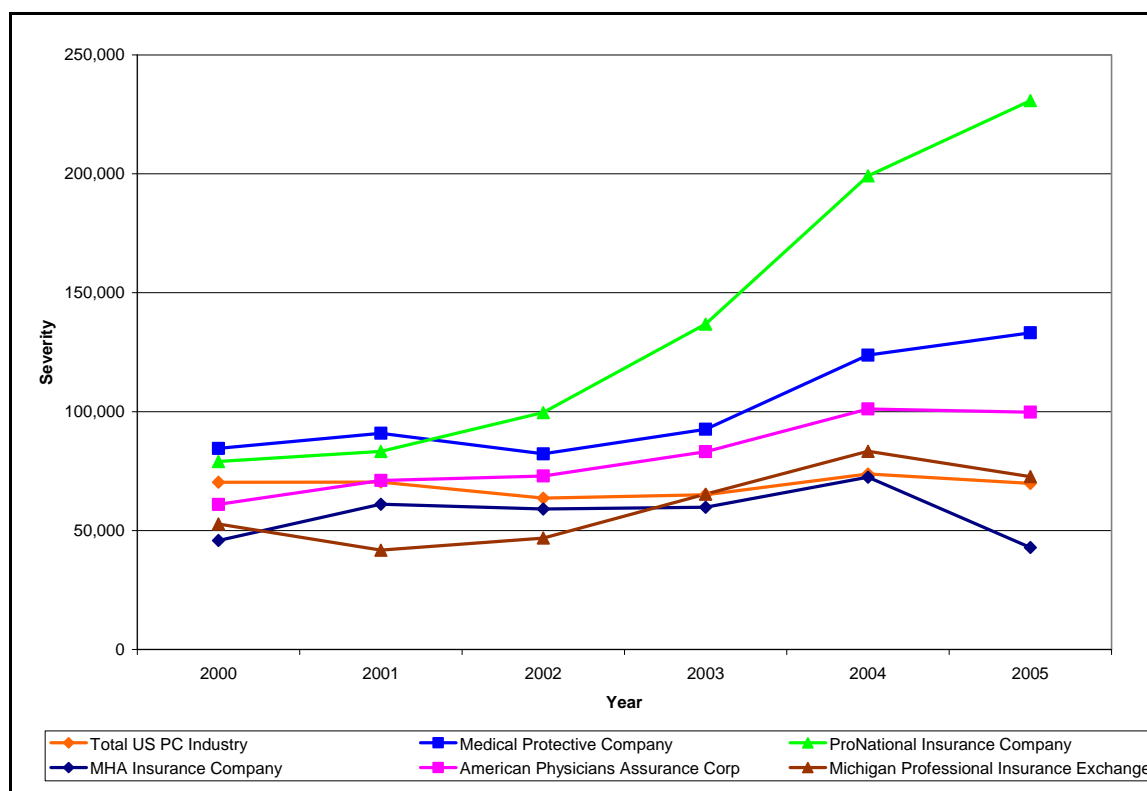


Figure 10 - Severity Trends by Accident Year



Another issue that can be evaluated well using Schedule P data is the accuracy of insurers' initial loss reserve estimates. That is, are the initial estimates an insurance company makes for unpaid claim liabilities accurate, too high, or too low? If reserves are too high, financial statements can paint an overly pessimistic view of an insurance company's operating results and delay the recognition of income. If reserves are too low, this presents an overly optimistic view of insurer operating results and creates a future drag on the insurer earnings when the adverse loss development emerges.

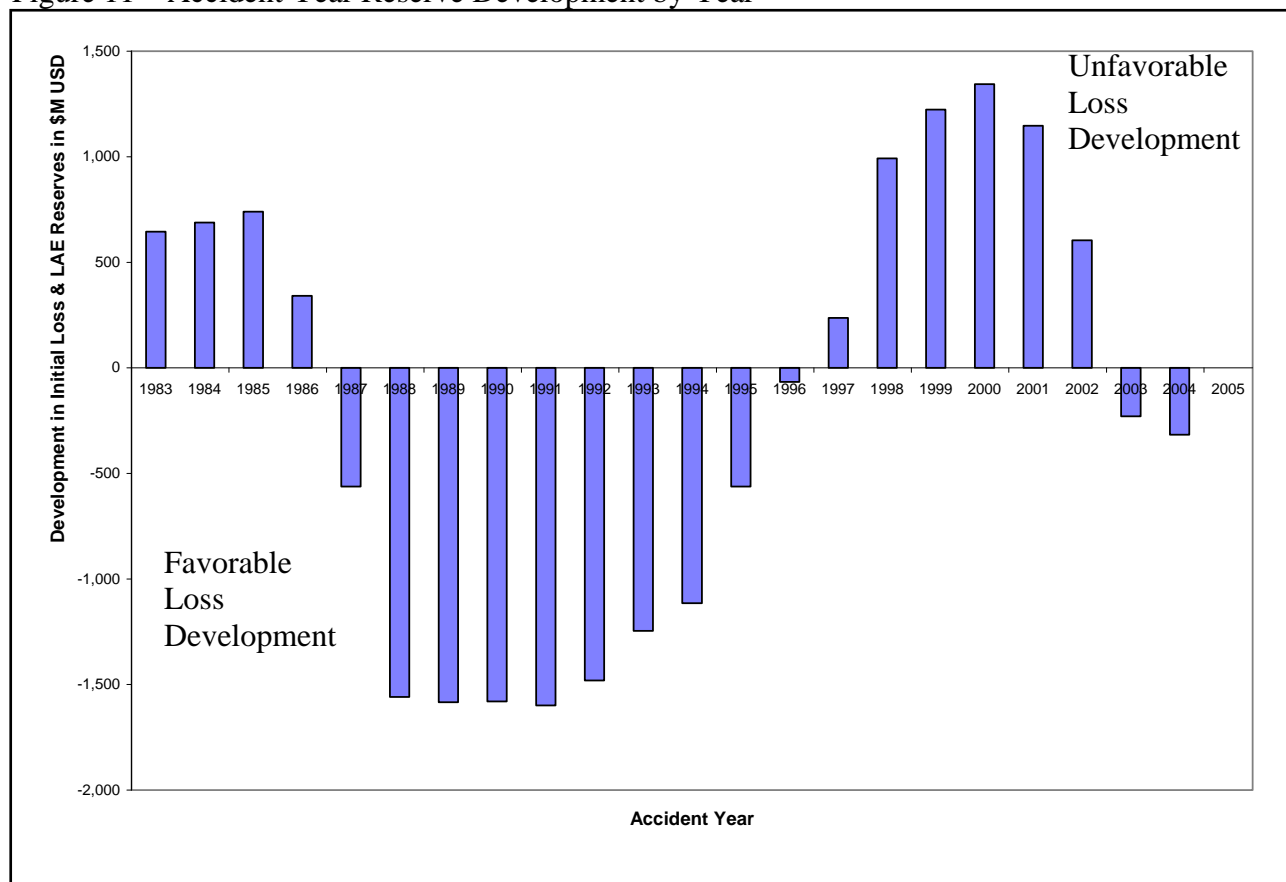
As previously mentioned, the lag between the occurrence of a claim and its settlement increases the volatility in insurance company results because reserves for loss and loss adjustment expenses (LAE) are subject to potential errors of estimation due to the fact that the ultimate liability for these claims is subject to the outcome of events yet to occur, e.g., jury decisions and attitudes of claimants with respect to settlements. This volatility can result in significant upward and downward adjustments from initial estimates of the loss and LAE reserves by the time most or all costs to resolve claims are known. It can take years and even decades before all claims are fully resolved, especially claims that involve permanent disabilities like some workers' compensation and medical professional liability claims.

We have examined trends in the accuracy of initial loss reserve estimates for a number of key medical malpractice insurers and the insurance industry as a whole. The results are shown in Exhibit 9 and summarized in Figure 11. We have compared the reserves posted as of the end of the year the claims occurred or were reported to most current hindsight evaluation of the reserves that should have been held.

As the exhibit and figure show, the insurance industry enjoyed an extended period of favorable loss development from initial expectations from 1986 to 1996. This resulted in initial held reserves being overstated by over \$1 billion per year for seven consecutive years based on current estimates. This trend dramatically reversed itself from 1997 to 2002 as initial reserves have proven to be materially understated. Initial valuations suggest that the most recent years will result in more modest corrections. The uncertainty caused by extended claims settlement lags and the cyclical nature of insurance company operating results both contribute to this cyclical behavior in insurance industry reserve adjustments. When the leading insurers in Michigan were evaluated individually (See

Exhibit 9, pages 2-3), the national carriers (APC, ProNational and Med Pro) exhibit a similar cyclical behavior, while the more local insurers (MPIE and MHA) did not show as cyclical a reserve adjustment pattern.

Figure 11 – Accident Year Reserve Development by Year



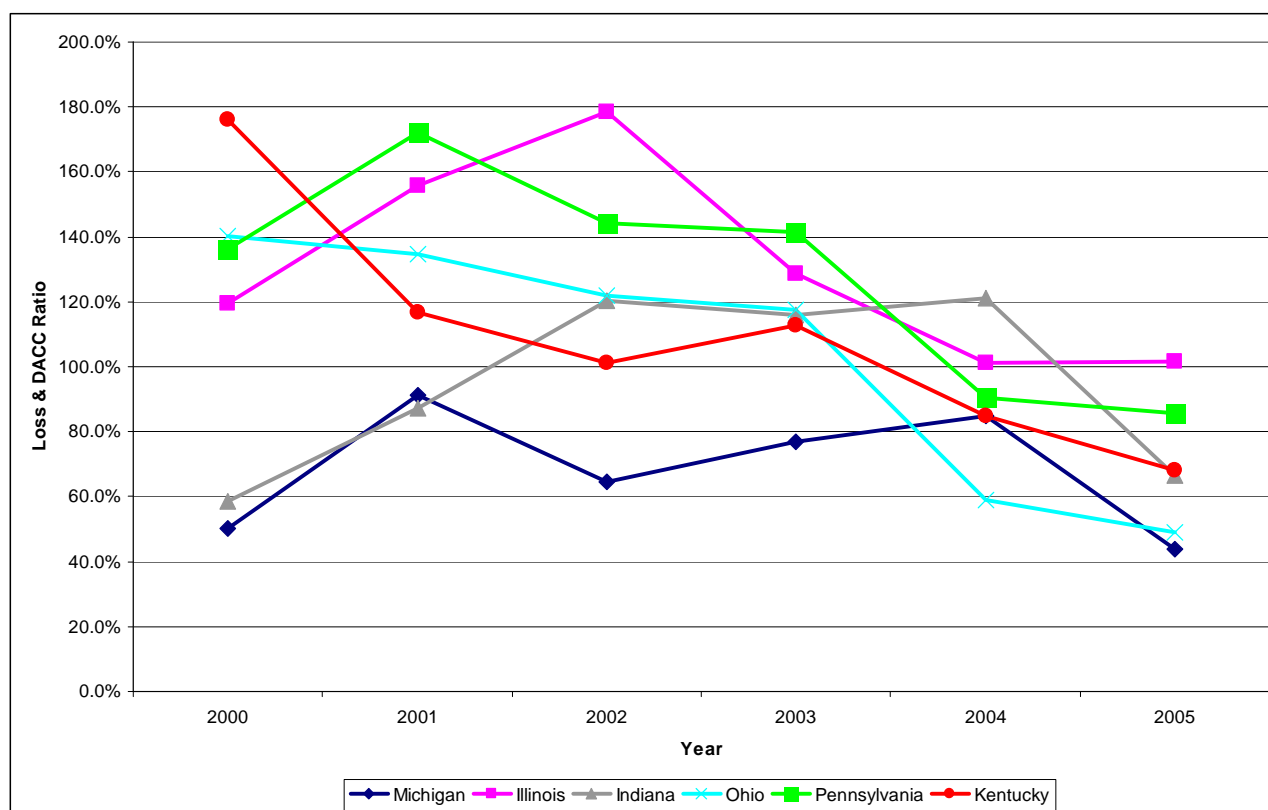
4.a.i.3 Calendar Year Losses

While Schedule P provides one of the most accurate ways to evaluate countrywide loss experience on an accident year basis, another annual statement section, Statutory Page 14, provides detailed by state loss experience on a calendar year basis. Statutory Page 14 data also facilitates comparison of the experience of multiple companies within the state of Michigan.

Loss and Loss Adjustment Expenses (LAE) The first issue that we have analyzed regarding loss and defense costs is variation between states and over time in loss and Defense and Cost Containment (DACC or DCCE) ratios. These ratios compare losses and DACC combined to earned premium. Exhibit 10, Page 1 shows calendar year loss and DACC ratios by state for the 2000-2005

period. All year averages were added to reduce the impact of loss reserve changes in a given calendar year. There are several important observations. First, notice that Michigan's loss and DACC ratio ranks among the best of any state during the period, reflecting superior underwriting performance for insurers in the state. Second, the trend in the countrywide results from loss and DACC ratios as high as 128.5% in 2001 to 75.6% in 2005 is dramatic. Significant rate level increases and significant legislative reform in numerous states both played key roles in these materially improved operating results countrywide. Finally, while the Michigan results demonstrate some volatility between years as a result of large claim settlements or reserve adjustments; they are nowhere near as dramatic as the fluctuations in some other states, such as New Mexico or Mississippi, where the difference between the highest and lowest loss ratios is about 150% of premium.

Figure 12 – Calendar Year Loss Ratios by State



Additional data was collected and summarized by insurance group within the state of Michigan on a calendar year basis. This data is summarized in Exhibit 11. Most of the leading insurers in the state produced loss ratios for the period between 50% and 85%, which should produce acceptable operating results.

4.a.i.4 Calendar Year Underwriting Expenses

One aspect of the efficiency of the medical malpractice insurance mechanism is underwriting expenses. These expenses represent the costs of marketing, acquisition, underwriting, and overhead for an insurance company. These expenses are typically categorized into three major groupings: commissions, other acquisition costs, and general expenses. Premium-based expense, such as premium taxes, licenses and fees, are generally also included as underwriting expenses. Overall changes in the level of underwriting expenses as a percentage of premiums can be an important indicator of trends in insurers' operating discipline or higher fixed expenses relative to premium. We have examined trends in these underwriting expense ratios both within the state of Michigan and between states to address two key questions: "Have underwriting expense ratio levels changed over time?" and "Do underwriting expense ratio levels vary by state?"

Exhibit 10 and 11 summarize the results of our analysis. A graphical representation of the trends in underwriting expense ratios is shown in Figure 13. Generally, there has been a fairly steady reduction in underwriting expense ratios both in Michigan and countrywide over the period. This phenomenon is not uncommon when rates in a line are increasing or when a line is experiencing a "tightening of the belt" due to poor loss experience, both of which apply to the medical professional liability line during this period. Michigan insurers underwriting expenses have generally been very close to national levels during the period.

Figure 13 – Medical Malpractice Underwriting Expense Ratios by Year

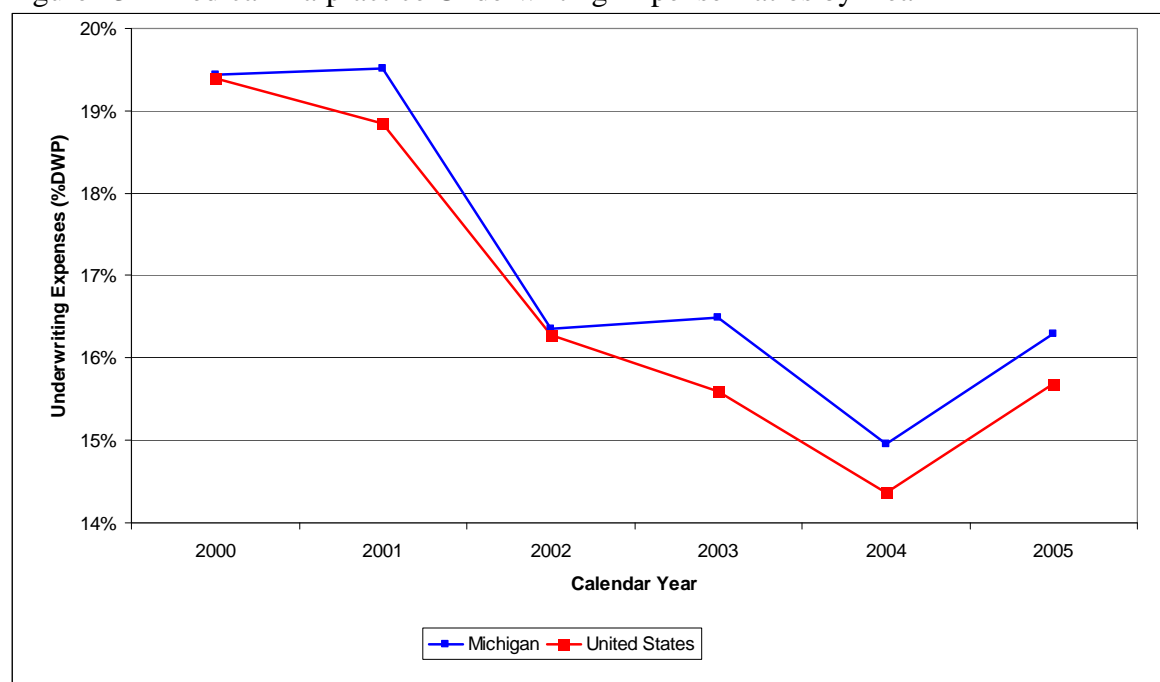
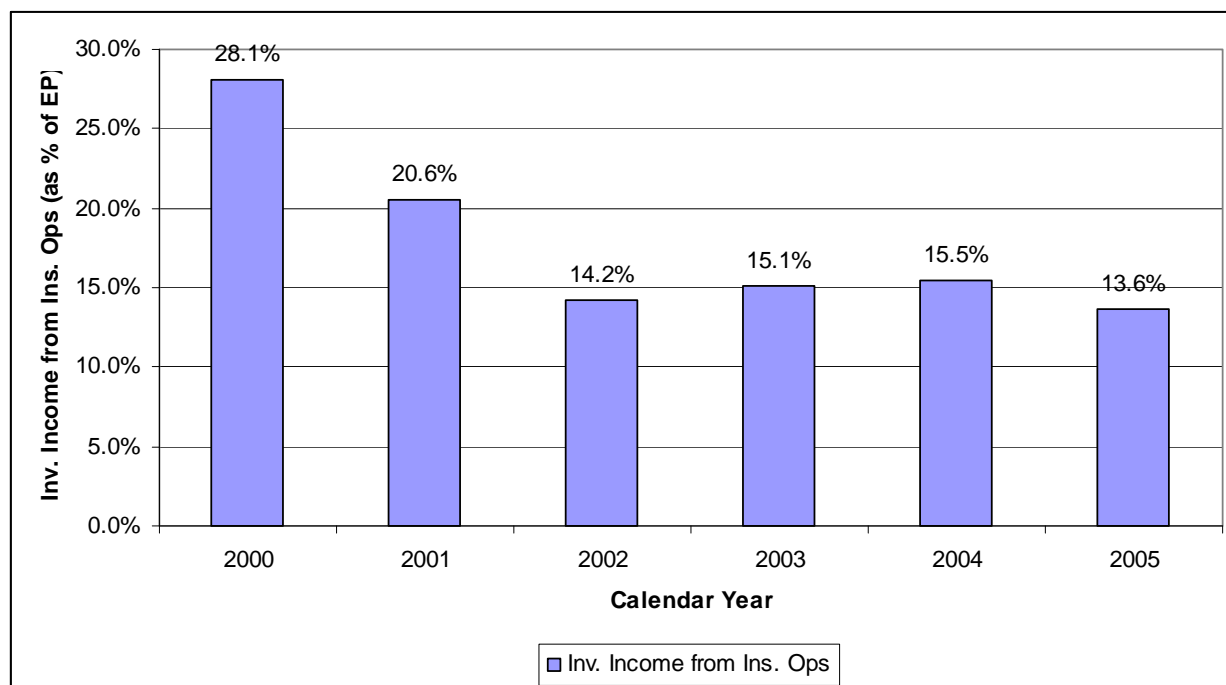


Exhibit 11, Pages 3–6 show detailed expense ratios for leading insurers in Michigan. This data is Michigan expenses only, when available, and breaks out the four major underwriting expense categories: commissions, taxes (including licenses and fees), other acquisition expenses, and general expenses. The major drivers of the overall expense ratio reductions are general expenses and other acquisition expenses. However, the differences between carriers in commission levels and general expenses, which are mostly overhead costs, are also quite interesting.

4.a.i.5 Investment Income

A key element of medical professional liability insurer operating results is investment income. Because the average claim closure lag is over four years and many claims stay open much longer than that, there is a tremendous opportunity to earn investment income on the assets supporting the reserves for unpaid claims liabilities. Because of the relatively high investment income that can be generated as a percentage of premium, an insurer may be able to have a significant underwriting loss, as measured by a combined operating ratio (losses, claims expenses, and underwriting expenses divided by premium) well in excess of 100%, and still produce net income. Figure 14 shows industry investment income from insurance operations as a percentage of earned premium. State specific data is not available in insurer financial data. Note the reductions in investment income after 2001 which saw the events of September 11 and the economic downturn that followed.

Figure 14 – Medical Malpractice Industry Investment Income from Insurance Operations by Year



4.a.i.6 Operating Results

One of the most common ways for overall insurance company and industry results to be evaluated is operating ratios. Two of the most common ratios are the combined operating ratio, which compares all loss, loss adjustment expenses (LAE) and underwriting expenses to premiums, and the net operating ratio, which is the combined ratio reduced to reflect investment income from insurance operations as a percentage of premiums.

Exhibit 10, Page 4 contains calendar year combined operating ratios by state and year for medical malpractice. Since this report has already discussed the trends for each of the components, losses, LAE, and underwriting expenses, the results should hardly be surprising. Countrywide combined ratios have gone from 155.9% in 2001 to 95.5% in 2005, a dramatic improvement.

Exhibit 10, Page 5 contains calendar year net operating ratios by state and year for medical malpractice. When the net operating ratios are above 100%, the insurance industry is losing money on this line of business; conversely when they are below 100%, net income is being produced. Net operating ratios for the period 2000-2005 show a similar improvement to the combined ratios going from a high of 119.7% in 2001 to 69.9% in 2005. This results in the industry producing significant net income in 2005.

The Michigan combined ratio and net operating ratio results are even more favorable. Driven by the exceptional loss ratios discussed earlier (from Exhibit 10, Page 1), Michigan's combined and net operating ratios are among the lowest of any state in the country. Only two years during the period have produced underwriting losses (combined ratios above 100%) and the net operating ratio of 62.2% suggests net income of almost 40% of earned premium has been realized.

Exhibit 11 shows a detailed analysis of the combined and net operating ratios of the leading medical professional liability insurance companies in Michigan, looking solely at Michigan experience. The experience for the leading insurers is quite comparable to the overall Michigan market result and shows the vast majority of the insurers experiencing operating results well below the national averages.

4.a.i.7 A.M. Best Ratings

A final measure of the strength of an insurance market and its operating results are the rating produced by the various ratings agencies, e.g., A.M. Best, Standard & Poor's, Moody's. The changes in the A.M. Best ratings for the leading medical professional liability insurers in Michigan are summarized in Exhibit 12. Given the superior operating results for the period seen in the combined and net operating ratios, one would expect that the rating agencies would be improving their ratings. This is not the result we see in the exhibit.

There are at least two major reasons for the ratings deteriorating as the results improve. First, several of these companies (e.g., AP Capital, Meadowbrook, AIG and The Doctors Company) have significant premium volume in states other than Michigan. Many of these states were experiencing significant operating losses in the early part of the experience period. These losses materially impacted many of these companies' financial strengths and are reflected in the ratings downgrades. The second issue contributing to the apparent disconnect between earnings and ratings is the retrospective nature of ratings. The rating agencies make it quite clear that their evaluations are retrospective in nature and should not be used for prospective evaluations. Because of this they tend to have a bit of a lag relative to current company earnings.

4.a.ii Competition

Another factor that contributes to the availability of coverage is the level of competition. In this context we are not referring to the competitiveness of different insurers' rates (which will be discussed in the affordability analysis), but rather to the number of insurers competing in the market and how actively they are competing for business.

4.a.ii.1 Licensed Insurers

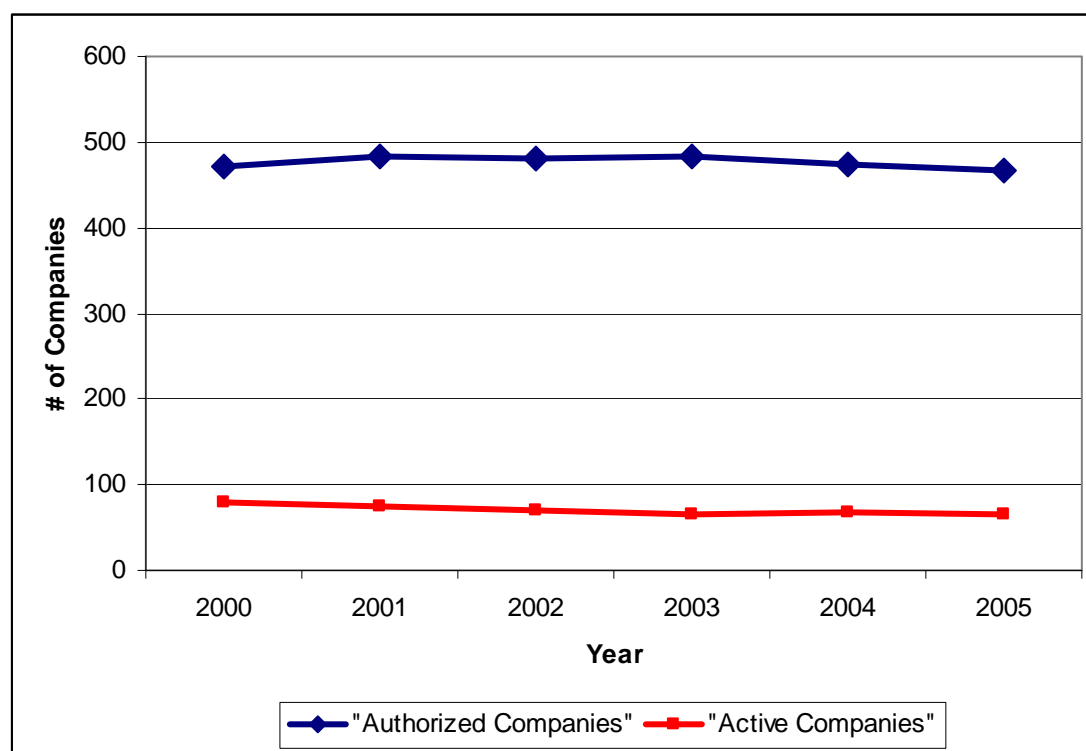
A key measure of the level of competition in a state is the number of insurers participating in that market. All other things being equal, you would expect that the greater the number of insurers, the more competitive the market. In Exhibit 13, we examined both the number of insurance companies authorized to write medical professional liability insurance in Michigan and the number of insurers actually writing medical malpractice policies in the state.

Over the 2000-2005 period, the state of Michigan experienced a net loss of five insurers authorized to write medical professional liability insurance, a loss of only 1.1%. Key losses included the insolvencies of companies like PHICO, Reliance, Legion, Frontier, and Reciprocal of America, as well as the voluntary withdrawal from the market of St. Paul Companies. Many of the market entrants were smaller and newer companies.

Interestingly, the number of insurers writing policies and producing positive direct written premium (less than 80) is much smaller than the number of those authorized to write policies in the state (almost 500). Also, the number writing policies dropped from 79 to 65 during the period. This is a rate of almost 4% annually, a faster decrease than that seen in the licensed insurers.

The information for both results is shown graphically in Figure 15 below.

Figure 15 – Authorized and Active Insurers in Michigan by Year



4.a.ii.2 Market Share and Concentration

It is important to note the number of carriers is not the only way to measure competition, nor is it the most accurate. Another important measure is the degree of competition between insurers providing coverage in a state. For example, if ten companies compete in a market and each have a 10% market share, that is a very different situation than if one of the companies holds a 90% market share. To examine this issue more closely, we have analyzed insurer market shares and overall market concentrations over the period.

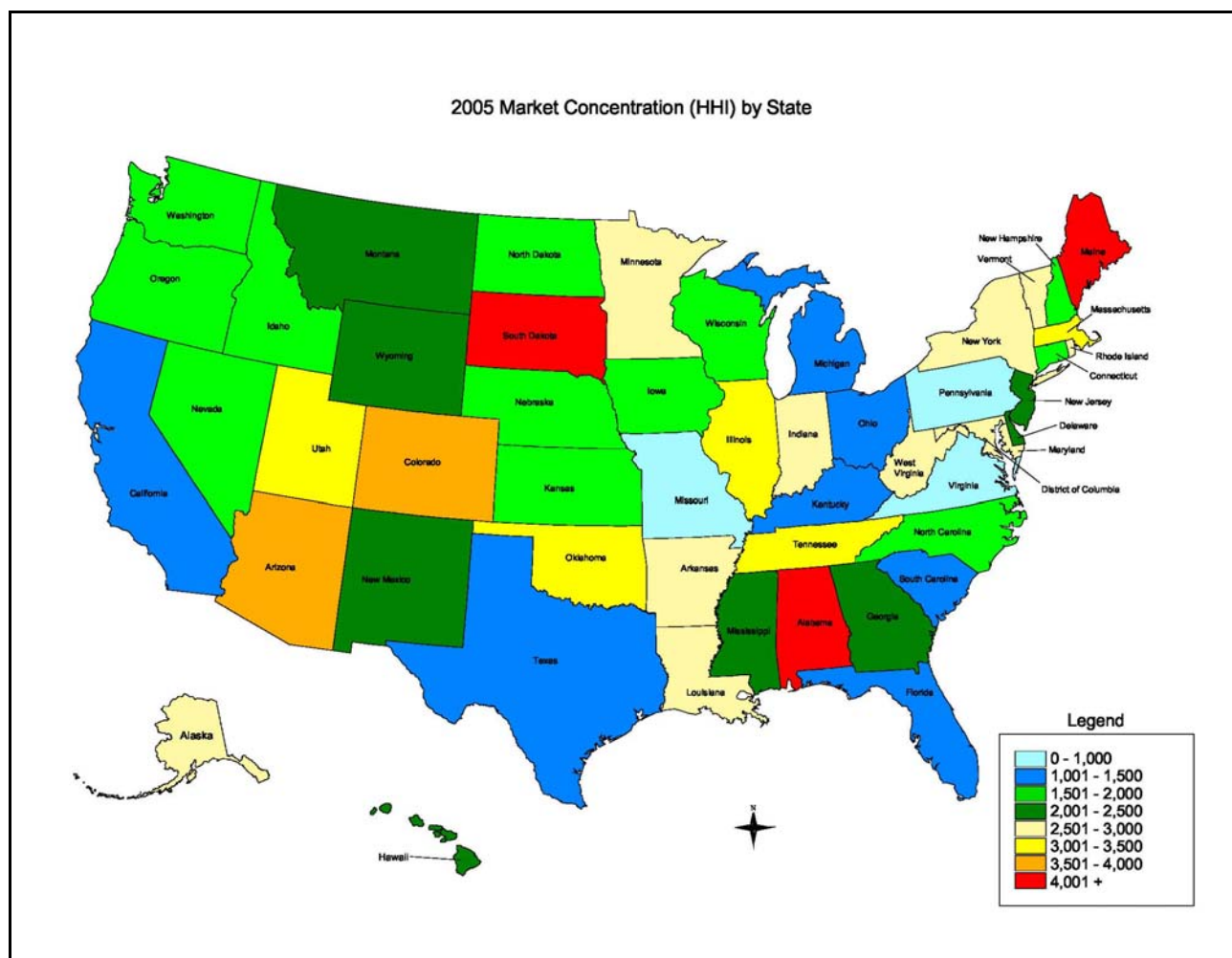
Exhibit 14 summarizes the direct written premium in Michigan over the period for the sixteen largest insurers are of 2005. It is interesting to note that the three leading insurers, MHA, AP Capital, and ProNational, maintain a fairly steady total market share between 60% and 65%. The more interesting change is in the next group of insurers, several of whom showed growth in both premium written and also market share. This would suggest an increased level of competition in the state over the period.

Exhibit 15 goes one level further and provides premium segregated by type of insured. The information underlying this exhibit is contained in an annual statement exhibit known as Supplement A for Schedule T that breaks down medical professional liability premium between physicians, other healthcare providers, hospitals, and other healthcare facilities. The number of companies writing physicians and other healthcare providers is much greater than the number of carriers writing hospitals and other facilities. This is a fairly common phenomenon in many states, particularly those with programs such as MHA. Exhibit 15, Pages 3 and 4 clearly shows the majority of these markets MHA controls.

A key way to look at levels of market competition over time is to examine trends in market concentrations over time. For this type of analysis, a commonly used metric is known as the Herfindahl-Hirschman Index or HHI. HHI is computed as the sum of the squares of the market shares of the firms competing in a market. The HHI can range from a minimum of close to 0 (perfect competition) to a maximum of 10,000 (perfect monopoly). The U.S. Department of Justice considers a result of less than 1,000 to be a competitive marketplace, a result of 1,000 - 1,800 to be a moderately concentrated marketplace, and a result of 1,800 or greater to be a highly concentrated marketplace. The 1,000 standard is intuitively pleasing as ten companies, each with a market share

of 10%, would produce an HHI of 1,000. In insurance, it is common to summarize the data for all statutory insurance companies that operate within a single group in terms of their ownership structure and pooling of financial results before computing HHI. Exhibit 16 shows the HHI results by state for the period 2000-2005. HHI by state has also been mapped and is shown as Figure 16.

Figure 16 – 2005 HHI by State



Michigan's marketplace had an HHI in 2005 of 1,272 (moderately concentrated), which ranked 44th overall, much lower than most states. Page 2 of the exhibit also shows total direct written premium and shows that Michigan was the 16th largest medical professional liability insurance market according to direct written premium in 2005. Michigan appears to have a market concentration comparable to some of the best performing of the larger states. For example, California (2005 HHI=1,122), Texas (HHI=1,022) and Ohio (HHI=1,197) all exhibit comparable market concentration and each has the reputation of being a strong market subsequent to their respective reforms.

4.a.ii.3 Licensed Healthcare Providers

Exhibit 17 summarizes information on the growth in the number of healthcare providers in Michigan between 2000 and 2005. Changes in the number of licensed healthcare providers during the period are important to this study for at least two reasons. First, it gives us insights into the overall availability of healthcare in the state. For example, Exhibit 17 shows that the number of doctors (M.D. and D.O. combined) grew at an annual rate of 0.9% during the period 2000-2005, while the number of registered nurses grew at 1.6% annually. Both of these compare favorably to population growth in Michigan, which averaged 0.3% during the period according to data presented by the Michigan Department of Community Health.¹ This would suggest in general that healthcare availability improved slightly in Michigan during the period. The number of licenses issued in the 2004-2005 years is particularly encouraging.

Second, growth rates in the number of healthcare providers give us a sense of the growth in the available market for insurance coverage. As such, it gives us a standard to compare a number of the available insurance market statistics against. For example, the significant decreases seen in the number of reported claims in Exhibit 1 takes on a clearer meaning when seen against a backdrop of a slightly growing number of providers. Similarly, the significant increase in written premium in the state (over 50% as seen in Exhibit 16, Page 2) provides a clearer understanding of the changes in typical healthcare provider costs when we recognize these premiums are spread across about the same number of providers as before.

There was very little variation by county exhibited in this data. Two counties, Wayne and Genesee, showed declines in the number of physicians and even these counties showed improvement in the most current year. The data for these two counties is detailed on Exhibit 17, Page 2.

4.a.iii Findings

From a coverage availability perspective, Michigan produced mixed results during the 2000-2005 period. The positives include steady significant declines in claim frequency (as seen the MI claim databases) and stable insurance company loss ratios at profitable levels, quite contrary to industry results. These positive factors appear to have helped the state avoid the significant reductions in the number of insurers providing coverage experienced in states suffering “crisis” conditions during the

¹ www.mdch.state.mi.us/pha/osr/CHI/POP/popAGE/counties/dp00.asp

period. The levels of market concentration in Michigan were also far better than most states during the period. This stability also contributed to the increase in the number of healthcare providers in the state, at a time when other states were seeing reduced access to healthcare.

Offsetting these positives are increased claims severities, particularly in loss adjustment expenses. This phenomenon is exacerbated by increasing claims settlement/closure lags and greater reliance on verdicts. These claims trends tend to increase loss reserve uncertainty and delay the recognition of claims trends in loss reserves and rates. This greater uncertainty also tends to make the state less attractive to new insurers considering entering the state and existing insurers considering expanding their writings and increasing competition within the state. This is clearly the greatest opportunity for improvement of the medical professional liability system in Michigan.

4.a.iv Contributing Factors

As it stands, the Michigan medical professional liability system is an increasingly inefficient compensation system for injured patients. In this context, inefficiency is due to the fact that an increasing majority of insurer expenditures are used to pay underwriting expenses and more importantly both defense and plaintiffs' attorneys, while a shrinking percentage of overall system costs compensate patients and their families.

A number of reforms have been enacted in other states that tend to increase coverage availability by speeding up claim settlements and/or increasing system efficiency. First, several states have a mandatory medical review panel process that eliminates claims it does not believe have merits. These panels are akin to the mediation panels required by Mich. Comp. Laws Ann. § 600.4903. The panels in Michigan should be evaluated in more detail to determine if they are functioning as they were intended. In addition, we believe other approaches that incent greater settlement of claims using alternative dispute resolution methods instead of reliance on jury verdicts should be investigated.

Another approach used to accelerate claim settlements has been physician apology or "I'm sorry" laws. These laws encourage physician communication with patients by allowing expressions of grief, and in some cases regret, without their words being used against them in court. These laws work best when healthcare providers are trained in how to apologize effectively and the apology is

further supported by early offers of compensation. These laws are further enhanced when it is mandatory that these apologies and up front offers of compensation are disclosed in the event of a lawsuit. We would encourage consideration of a physician apology law and further encourage the training, claims handling, and disclosure elements seen in the best models of these laws.

A final reform that has demonstrated an ability to accelerate claims settlements and increase coverage availability is a patient compensation fund (PCF). Some of the most successful medical professional liability markets in the country have a PCF as an element of their system, including neighboring states of Indiana and Wisconsin. PCFs are government insurance programs that provide excess coverage above primary coverage provided by traditional insurance companies. They allow traditional insurers to retain a lower level of liability, which increases the predictability of insurer results and increases coverage availability through greater competition.

4.b Coverage Affordability

As important as the availability of coverage, that is, companies willing and able to provide the necessary insurance, is the affordability of coverage. The following section examines trends in the affordability of medical professional liability coverage in the state between 2000 and 2005.

4.b.i Premium Changes

4.b.i.1 Medical Liability Monitor

An analysis of typical medical malpractice premium levels by state is one measure of coverage availability. Comparisons of rates both within the state of Michigan and between Michigan and other states help develop an understanding of the affordability of coverage in Michigan during the period.

Our countrywide study compared the Michigan rates for two leading carriers, AP Capital and ProNational, to the rates of a leading carrier in each state for three key physician specialties: internal medicine, general surgery, and OB/GYN. Exhibit 18 summarizes the results of this analysis. In addition, maps for each of the classes reviewed have been included as Figures 18A through 18C. Exhibit 18 also looks at changes in the insurance premium rates for these three classes for the period 2000 through 2005. The clear message of these three exhibits is that while Michigan's rates in 2000 were among the highest in the country, they have experienced some of the lowest rate changes during the period under review. As a result, rates in other states have caught up with those in

Michigan. This can be seen in Figure 17 below and the comparisons nationally for 2005 are clearly seen in the maps in Figures 18A thru 18C.

The other significant result of this analysis is the average change in insurance premiums over the last five years. Almost every state shows a significant increase in the annual rate change being implemented by the leading writer selected for the state. Interestingly, Michigan's are among the lowest increases of any state in the nation. As Exhibit 18 shows, the five year trend in insurance premiums increases nationally has been approximately 14-16%, depending on specialty. The effect has been dramatic as rates in other states have in some cases tripled or quadrupled, while Michigan rates have in some cases changed only slightly, with increases of between 1% and 10% annually.

Figure 17 – Medical Liability Monitor Rates for OB/GYNs by State (2000-2005)

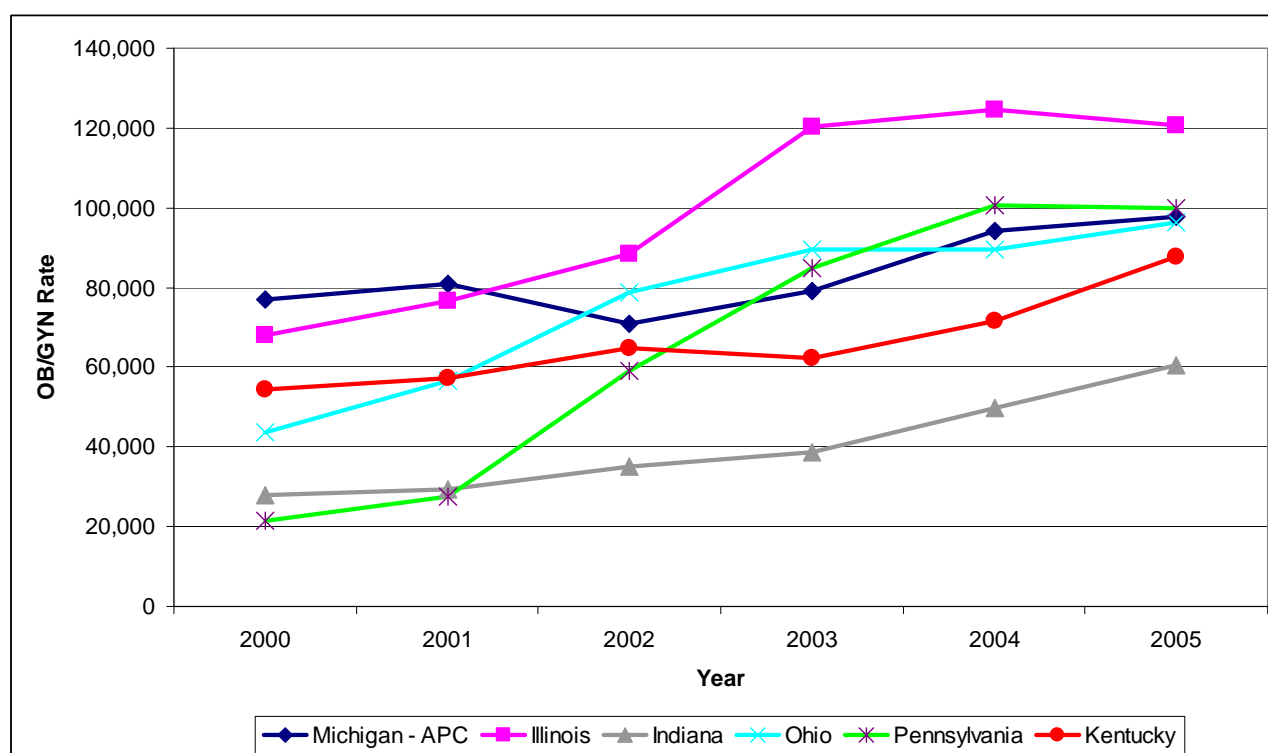


Figure 18A – Medical Liability Monitor Rates for Internal Medicine by State (2000-2005)

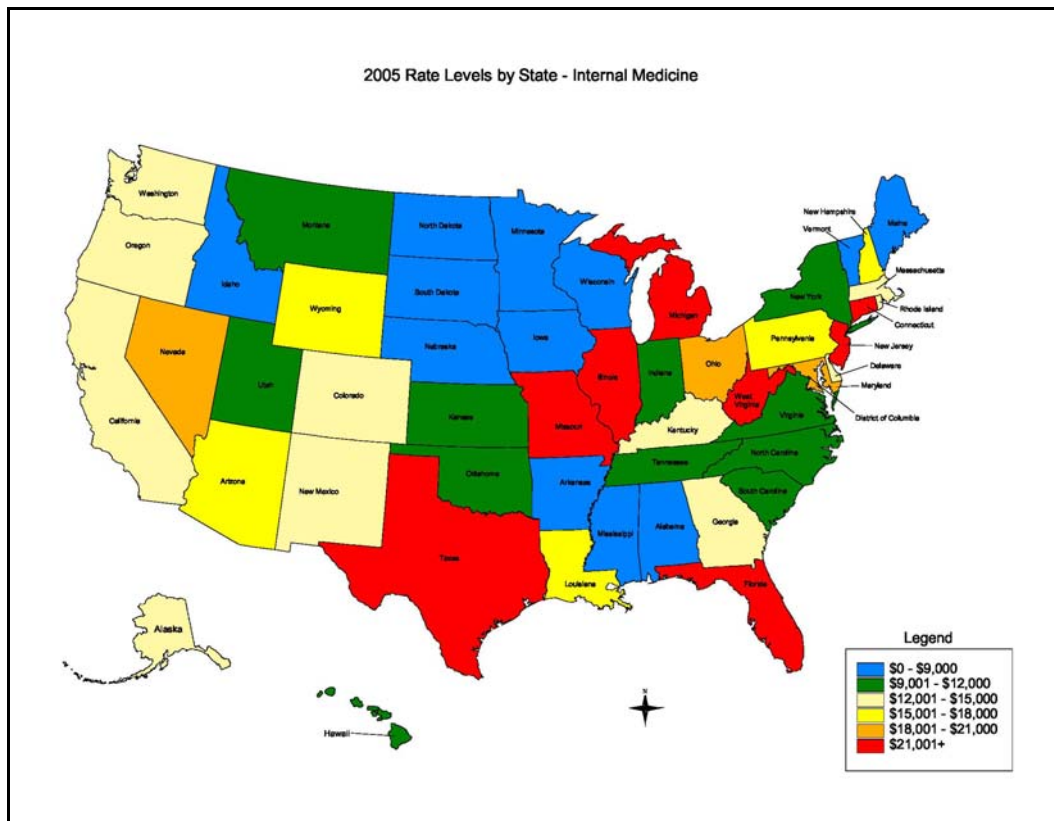


Figure 18B – Medical Liability Monitor Rates for General Surgery by State (2000-2005)

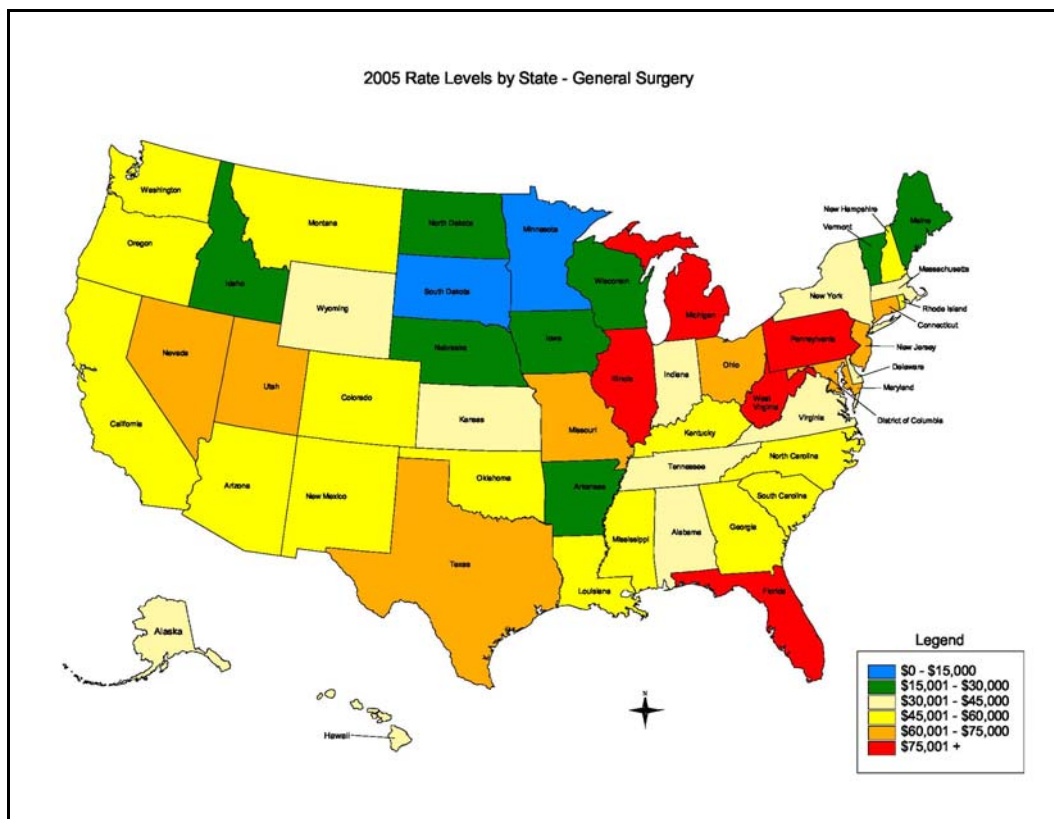
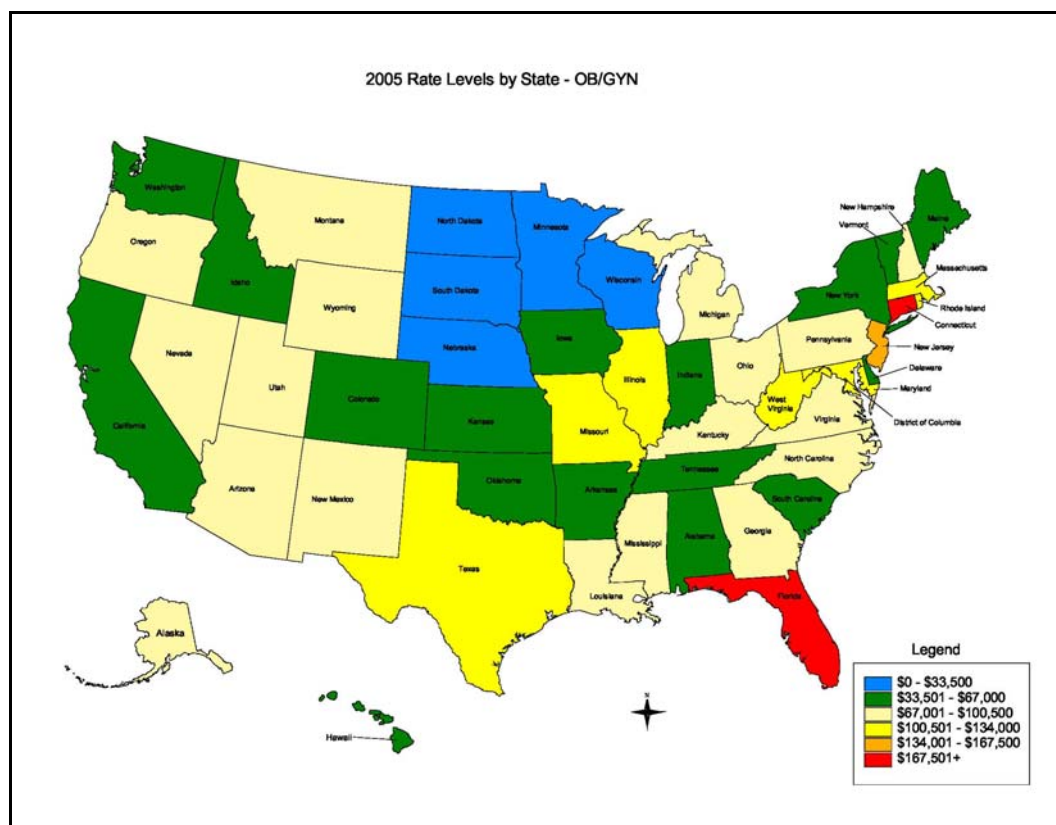


Figure 18C – Medical Liability Monitor Rates for OB/GYNs by State (2000-2005)



4.b.i.2 Insurer Rate Filings

A more detailed study by physician specialty and territory was conducted using Medical Liability Monitor data, company rate filings, and additional information provided by the companies. The rate filings reviewed focused on four insurance groups: AP Capital, MPIE, MHA Insurance Company, and ProAssurance Group (ProNational). Overall, very little material differences by territory or specialty were seen in the data reviewed. Exhibits 19 and 20 provide a couple of different summaries of pertinent data. In Exhibit 19, you can see that for the AP Capital and ProNational data from Medical Liability Monitor, the surgery rates tended to increase at a faster rate than internal medicine or OB/GYNs. There were also some smaller increases taken in specific territories, such as Lansing, Saginaw and Grand Rapids, but nothing very material. Exhibit 20 shows the overall rate history for all four groups during the 2000-2005 period. This information corroborates the Medical Liability Monitor data suggesting that rate increases in Michigan during the period were much lower than the national average.

4.b.iii Findings

In evaluating the affordability of rates for medical professional liability insurance in Michigan for 2000-2005, several interesting observations can be made. Michigan rates were among the highest in the country during the period. However, they were also among the most stable in the country, avoiding the dramatic swings seen in other states during the period. The rates produced superior underwriting results for insurers during the period that led to significant net income and outperformed most other states. They also resulted in better levels of market competition than most states, encouraged increases in healthcare availability, and a general state of stability during “crisis” conditions in other states.

4.b.iv Contributing Factors

In general, the current regulatory approach to medical professional liability insurance in Michigan is one that relies heavily on competition to assure the affordability of premiums and focuses on the solvency of insurers. There are few barriers to entry for insurers that find the Michigan medical professional liability insurance market attractive. A lot of flexibility is permitted in the design of creative underwriting and pricing systems.

Michigan’s approach appears to have significantly outperformed alternative systems where destructive competition based solely on price and then restricted price corrections lead to mass market exoduses through insolvencies and voluntary withdrawals. Michigan was not affected as significantly as most other states by the destructive competition of companies such as PHICO, Frontier, Legion, and Reliance, or the departure of St. Paul. An insurance system that encourages competition and rate flexibility has been repeatedly shown to provide less volatile underwriting cycles with faster market corrections for excessive losses and gains.

The recommendations in the availability section, evaluation of the mandatory mediation panel process, consideration of “I’m sorry” legislation and a PCF, would also have the impact of making coverage more affordable. Similarly, if claims settlement lags can be accelerated, insurers can recognize profitability more quickly and respond with rate reductions sooner, improving coverage affordability.

4.c Overall Market Conditions

4.c.i Conclusions

Overall, the medical professional liability insurance system in Michigan for the period 2000-2005 was quite stable. Claims (both reported and closed) decreased steadily, rates increased moderately, insurer operating results were generally profitable and competition was maintained at acceptable levels. This stability was in stark contrast to the volatility of the “crisis” conditions that were manifest in many other states during the period.

4.c.ii Recommendations

The stability of the Michigan system during this turbulent period demonstrates the many strengths of the current system including the caps on non-economic damages, treatment of collateral sources, mandatory mediation panels, and approach to medical professional liability insurance rate regulation. Any recommendations we make should be recognized as fine tuning of a system that has worked better than most states. We believe that approaches that incent greater settlement of claims using alternative dispute resolution methods instead of reliance on trial verdicts, including refinement of the existing mediation panels, should be considered. In addition, a physician apology law, particularly legislation with mandatory training and disclosure elements as well as encouragement of a coordinated “early offer” claims process, may be beneficial. Finally, a patient compensation fund, such as those used in Indiana and Wisconsin, may provide an incremental benefit to the system.

4.c.iii Impact on Access to Healthcare

While the modest increases in the number of healthcare providers in Michigan during the period were quite positive, there is always the possibility for improvement. If the availability or affordability of coverage can be improved, the state will become an even more attractive destination for new physicians and for physicians looking to relocate their practices.

5. LEGAL DISCLOSURES

5.a Distribution and Use

This report is being provided for the use of the Michigan Office of Financial and Insurance Regulation (OFIR). It is understood that OFIR is also expected to distribute this report to the various policymakers and stakeholders in the state, potentially including the Governor and the Michigan Legislature, as well as the general public via the state of Michigan's website. This distribution as well as any further distribution to the makers of public policy and the various stakeholders in the healthcare industry in the State of Michigan is hereby granted.

When this report is distributed, the report should be distributed in its entirety. All recipients of this report should be aware that Pinnacle is available to answer any questions regarding the report. These third parties should recognize that the furnishing of this report is not a substitute for their own due diligence and should place no reliance on this report or the data, computations, interpretations contained herein that would result in the creation of any duty or liability by Pinnacle to the third party.

Any reference to Pinnacle in relation to this report in any accounts, reports, or other public documents, or any verbal references are not authorized without our prior written consent.

5.b Reliances and Limitations

Judgments as to conclusions, recommendations, methods, and data contained in this report should be made only after studying the report in its entirety. Furthermore, Pinnacle is available to explain any matter presented herein, and it is assumed that the user of this report will seek such explanation as to any matter in question. It should be understood that the exhibits, graphs, and figures are integral elements of the report.

We have relied upon a great deal of publicly available data and information, without audit or verification. However, we did review as many elements of this data and information as practical for reasonableness and consistency with our knowledge of the insurance industry. We have not anticipated any extraordinary changes to the legal, social, or economic environment.

Pinnacle is not qualified to provide formal legal interpretations of current or proposed state legislation. The elements of this report that require legal interpretation should be recognized as reasonable interpretations of the available statutes, regulations, and administrative rules. State governments and courts are also constantly in the process of changing and reinterpreting these statutes.

GLOSSARY OF TERMS, ACRONYMS & ABBREVIATIONS

The definitions included in this glossary are intended to be practical definitions to assist non-technical readers in understanding the key technical contents of this report. We recognize that some technical clarification and detail has been omitted from these definitions for the sake of brevity and ease of understanding. We do not believe any of these omissions materially impact the reader's understanding of the report or materially misrepresent the essence of the meaning of the terms.

Accident Year – A method of organizing insurance loss and loss adjustment expense data according to the year in which the accident or event occurred.

ADR – Alternative Dispute Resolution, dispute resolution processes falling outside of the judicial process including arbitration and mediation.

ALAE – Allocated Loss Adjustment Expense, loss adjustment expenses attributable to a specific claim, usually defense costs. A change in accounting definitions recategorized most ALAE into a new category called Defense and Cost Containment Expense (DACC or DCCE).

Annual Statement – A detailed financial report of an insurance company, filed with state insurance regulators using insurance-specific accounting rules.

Arbitration – An alternative dispute resolution mechanism whereby an independent third party facilitates the resolution of a claim.

Calendar Year – A method of organizing insurance loss and loss adjustment expense data according to the year in which the financial transaction (e.g., a loss payment or reserve increase) occurred.

Cap – An amount imposed as a limit on claim damages.

C.A.S. – Casualty Actuarial Society, the organization responsible for education and research for property and casualty actuaries in the United States.

Claims-Made Coverage – An insurance coverage form that provides reimbursement for claims reported during the coverage period.

Collateral Source – Rules on the admissibility of payments from other sources such as health insurance and life insurance.

Combined Ratio – The sum of the loss and LAE ratio and the underwriting expense ratio.

Comparative Negligence – A tort system based on the concept that recoveries should be apportioned based on a comparison of the plaintiffs negligence with that of the defendant.

Compensatory Damages – Damages paid to compensate a party for loss, injury or harm, as opposed to punitive damages, which are meant to punish the offending party.

Contributory Negligence – A tort system based on a concept that disallows recovery by a plaintiff whose actions in some way, however small, contributed to the tort.

D.C.C. – Defense and Cost Containment, loss adjustment expenses specifically attributable to the defense of a claim or cost containment procedures. Also called DACC or DCCE.

Earned Premium – The portion of an insurance policy's premium for which the coverage has been provided.

Economic Damages – Loss payments to the claimant recognizing actual expenses incurred to remedy an injury, including medical expenses and loss of income.

Experience Rating – A method of adjusting insured premium derived from manual rates for insured historical loss experience to the extent that it is predictive of future loss results.

Exposure – A relative measure of an insured's exposure to some type of loss. Typically, this is number of physicians or occupied beds for malpractice insurance.

Frequency – The number of claims per unit of exposure, such as physicians, sales, or premium.

Frivolous Lawsuit – For the purpose of the analysis in this report, frivolous lawsuits are measured as those lawsuits which result in no loss payment.

HHI – Herfindahl-Hirschman Index, a measurement of competitiveness in a marketplace. Low indices indicate a competitive market and higher indices indicate less competitive markets.

IBNR – Incurred But Not Reported, loss reserves that provided for additional development on known claims and claims that have occurred but have not been reported.

Indemnity Payments – The amount paid for the insured's covered loss that does not include defense costs and other loss adjustment expenses.

Insolvency – When a company's assets do not exceed its expected liabilities.

Investment Income – Proceeds generated from invested assets of an insurance company. This includes investment earnings (e.g., dividends and coupon payments on bonds), realized capital gains, and in some cases unrealized capital gains.

Joint Liability – A tort system concept whereby all defendants contribute proportionately to the judgment.

Joint and Several Liability – A hybrid of the concepts of joint liability and several liability; with respect to the claimant, the parties are jointly liable, but among themselves, the liabilities are

several. This means that if a claimant sues one party and is indemnified in full, that party must then pursue the proportionate shares from the other contributing parties.

LAE – Loss Adjustment Expenses, insurance company expenses associated with settling claims.

LAE includes both unallocated loss adjustment expenses (ULAE, which is now known as Adjusting and Other Expense, AOE) and allocated loss adjustment expenses (ALAE) which is now known as DACC.

Loss Ratio – The ratio of some measure of losses (typically paid or incurred) to some measure of premium.

Manual Rate – The cost of insurance per exposure, as defined in an insurance company in their insurance product manuals. Manual rates times exposures are “manual premiums.”

Mediation – A method of alternative dispute resolution in which a neutral third party facilitates negotiation toward an agreement between disputing parties.

NAIC – National Association of Insurance Commissioners, a national organization of state officials currently charged with the regulation of insurance.

Non-Economic Damages – Loss payments to the claimant recognizing costs not related to the cost of remedying an injury, including pain and suffering and loss of consortium and excluding punitive damages.

Occurrence Coverage – An insurance coverage form that provides reimbursement for claims occurring during the coverage period.

Punitive Damages – Damages awarded in a lawsuit to penalize a defendant for willful and wanton conduct.

Reinsurance – A mechanism by which an insurance company can transfer some of their insurance risk to another insurer.

Report Year – A method of organizing insurance loss and loss adjustment expense data according to the year in which the accident or event was reported to the insurer, regardless of when it occurred.

Reserves – Estimates of claims and expenses which an insurer is legally obligated to pay but has not yet paid, regardless of whether the claims have been reported to the insurer.

Reserve Development – The shifts in reserve estimates for a particular accident year as more information (e.g., claim payments, additional reported claims) becomes available over time.

Reserve Runoff – The pattern of development of past accident years' reserves toward their ultimate settlement values over time.

Schedule P – An exhibit in the Annual Statement showing detailed loss and premium information by line of business.

Self-Insurance – A method of risk financing whereby the insured retains a fixed amount (see self-insured retention) on either a per claim or aggregate basis.

Self-Insured Retentions - A fixed amount retained by an insured on either a per claim or aggregate basis.

Several Liability – A tort system concept whereby each defendant is potentially responsible for the entire judgment.

Severity – The average cost or payment amount of a claim.

Statute of Repose – A statutory limitation on the timeframe in which a claim can be made after an action occurs, regardless of when the actual injury giving rise to the claim occurs.

Subrogation – A right of the insurer to recover from a third party.

Underwriting Cycle – A cycle of financial results in the insurance industry over several years characterized by periods of changing underwriting profit and loss, raising and lowering of premiums, entry and withdrawal of capital in the insurance industry and tightening and loosening of underwriting standards.

Underwriting Profits – The profits generated by selling and servicing insurance policies (underwriting) excluding any income from investments.

Valuation Date - The date through which premium and/or loss transactions are included in financial data.

Written Premium – The entire amount of premium on a policy contract.

Michigan Office of Financial and Insurance Services
Analysis of Form A (Initial Report of Court or Arbitration)

Exhibit 1

Count of Actions Filed by Complaint Year Filed

Year Complaint Filed	Action Filed	Percent of Total	Annual Trend
2000	1,142	23.90%	
2001	998	20.89%	-12.61%
2002	800	16.74%	-19.84%
2003	568	11.89%	-29.00%
2004	715	14.96%	25.88%
2005	555	11.62%	-22.38%
Total	4,778	100.00%	-13.44%

Source: Initial Report of Court or Arbitration Action, Form A

Michigan Office of Financial and Insurance Services

Analysis of Form A (Initial Report of Court or Arbitration)

Exhibit 2

Page 1

Count of Actions Filed by Report Year/Year Complaint Filed
By County

County	Year Complaint Filed							2000-05 Trend
	2000	2001	2002	2003	2004	2005	Total	
Alcona	-	2	1	-	1	-	4	
Alger	2	-	-	1	1	2	6	
Allegan	2	1	-	1	11	1	16	
Aplena	-	5	7	5	8	5	30	
Antrim	-	-	-	1	-	2	3	
Arenac	-	-	-	1	1	1	3	
Baraga	-	1	-	-	-	-	1	
Barry	3	-	-	-	-	2	5	
Bay	17	6	16	7	2	10	58	
Benzie	-	2	-	-	-	-	2	
Berrien	19	11	16	6	17	12	81	-5.5%
Branch	2	3	-	-	1	1	7	
Calhoun	29	27	22	9	16	15	118	
Cass	1	1	-	1	-	-	3	
Charlevoix	-	2	-	-	-	-	2	
Cheboygan	-	3	2	4	-	-	9	
Chippewa	2	3	1	-	-	5	11	
Clare	-	-	-	-	1	-	1	
Clinton	1	1	-	-	-	-	2	
Crawford	1	1	3	2	2	5	14	
Delta	2	3	1	-	2	1	9	
Dickinson	8	1	10	-	1	6	26	
Eaton	8	4	1	6	3	1	23	
Emmet	4	17	4	4	10	-	39	
Genesee	66	57	31	33	58	26	271	
Gladwin	-	-	2	1	-	5	8	
Gogebic	-	2	-	-	-	-	2	
Grand Traverse	5	19	17	7	6	2	56	
Gratiot	2	7	2	5	-	-	16	
Hillsdale	11	10	1	-	6	1	29	
Houghton	1	-	1	-	4	3	9	
Huron	8	1	2	2	2	-	15	
Ingham	66	53	24	9	15	16	183	
Ionia	1	1	5	3	1	2	13	
Iosco	-	1	-	-	-	2	3	
Iron	3	-	3	-	-	1	7	
Isabella	-	3	2	2	2	2	11	
Jackson	27	16	11	15	7	7	83	
Kalamazoo	67	34	34	26	14	22	197	
Kalkaska	-	-	-	-	-	1	1	
Kent	27	38	21	13	23	23	145	
Keweenaw	-	-	1	-	-	-	1	
Lake	-	-	-	-	-	1	1	
Lapeer	7	3	4	3	3	6	26	
Leelanau	-	-	-	-	-	-	-	

Michigan Office of Financial and Insurance Services

Analysis of Form A (Initial Report of Court or Arbitration)

Exhibit 2
Page 2

Count of Actions Filed by Report Year/Year Complaint Filed
By County

County	Year Complaint Filed							2000-05 Trend
	2000	2001	2002	2003	2004	2005	Total	
Lenawee	18	11	10	6	6	3	54	-27.6%
Livingston	8	4	10	10	11	4	47	-1.2%
Luce	-	-	-	-	-	-	-	
Mackinac	-	-	-	1	3	-	4	
Macomb	59	45	38	18	29	27	216	-15.7%
Manistee	6	2	1	-	2	-	11	
Marquette	21	17	8	7	8	14	75	-11.9%
Mason	2	-	1	-	1	1	5	
Mecosta	7	3	1	2	1	1	15	-29.7%
Menominee	-	-	-	-	-	-	-	
Midland	9	3	5	14	7	3	41	-5.3%
Missaukee	-	-	-	-	-	1	1	
Monroe	4	4	7	4	4	5	28	1.6%
Montcalm	4	3	2	3	1	-	13	
Montmorency	1	1	-	-	-	-	2	
Muskegon	14	24	9	10	12	6	75	-16.3%
Newaygo	-	-	-	-	-	-	-	
Oakland	182	155	131	74	79	58	679	-21.1%
Oceana	-	-	-	-	1	-	1	
Ogemaw	4	8	8	10	18	8	56	19.1%
Ontonagon	-	-	-	-	-	-	-	
Osceola	4	2	2	1	1	-	10	
Oscoda	-	-	-	-	-	1	1	
Otsego	2	4	-	1	-	4	11	
Ottawa	3	13	5	1	6	6	34	-1.3%
Presque Isle	-	-	-	-	-	-	-	
Roscommon	-	-	1	-	-	1	2	
Saginaw	35	50	39	29	35	42	230	-1.3%
St. Clair	8	9	14	7	17	9	64	5.3%
St. Joseph	3	1	1	3	-	-	8	
Sanilac	8	4	3	1	-	1	17	
Schoolcraft	3	3	6	-	-	-	12	
Shiawassee	7	8	2	1	1	5	24	-21.8%
Tuscola	4	-	5	-	2	-	11	
Van Buren	5	3	1	1	2	2	14	-15.3%
Washtenaw	72	56	50	54	32	34	298	-14.2%
Wayne	245	214	167	120	203	94	1,043	-14.0%
Wexford	4	8	2	1	9	3	27	-5.0%
Blank							-	
Total	1,134	994	774	546	709	522	4,679	-13.9%

Source: Initial Report of Court or Arbitration Action, Form A

Michigan Office of Financial and Insurance Services
Analysis of Form A (Initial Report of Court or Arbitration)

Exhibit 3

Count of Actions Filed by Report Year/Year Complaint Filed
 By Profession

County	Year Complaint Filed						Total	Trend
	2000	2001	2002	2003	2004	2005		
Allopathic Physician	628	558	473	357	436	312	2764	-12.11%
Hospital (only)	117	68	13	10	17	9	234	-38.91%
Professional Corp	50	45	33	72	117	103	420	23.05%
Clinic	0	3	3	0	1	0	7	
HMO	2	7	12	8	14	10	53	32.02%
Chiropractor	4	2	2	3	1	1	13	-21.80%
Nurse	1	3	1	1	1	7	14	20.18%
Dentist	56	69	31	28	26	17	227	-22.65%
Podiatrist	2	1	0	4	1	1	9	
Osteopathic Physician	120	90	91	74	85	72	532	-8.04%
Other	146	125	116	6	4	9	406	-54.05%
Total	1,126	971	775	563	703	541	4,679	-13.20%

Source: Initial Report of Court or Arbitration Action, Form A

Michigan Office of Financial and Insurance Services

Closed Claim Analysis

Count of Closed Claims by Closure Year

By Incident Year

Exhibit 4

Incident Year	Closure Year						Total
	2000	2001	2002	2003	2004	2005	
Prior	48	32	15	20	31	11	157
1990	5	5	6	1	4	5	26
1991	17	9	7	4	3	2	42
1992	24	23	16	1	2	3	69
1993	31	25	22	1	3	3	85
1994	96	54	20	6	7	6	189
1995	223	111	45	13	12	2	406
1996	386	249	78	22	13	5	753
1997	369	416	174	41	28	22	1050
1998	108	270	301	95	103	49	926
1999	37	98	256	170	198	66	825
2000	10	33	97	190	282	167	779
2001	0	9	36	73	273	227	618
2002	0	0	3	40	108	189	340
2003	0	0	0	4	46	54	104
2004	0	0	0	0	11	16	27
2005	0	0	0	0	0	2	2
Total	1354	1334	1076	681	1124	829	6398
Average Closure Lag	4.31	4.49	4.41	4.22	4.43	4.65	4.42

Michigan Office of Financial and Insurance Services

Closed Claim Analysis

Count of Closed Claims by Closure Year
By Claim Resolution

Exhibit 5

	Closure Year													Total	
	2000		2001		2002		2003		2004		2005				
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	
Mediation	80	5.98%	52	3.95%	27	2.55%	34	5.66%	118	11.69%	40	5.33%	351	5.78%	
Settled by Parties	1,174	87.81%	1,168	88.62%	961	90.92%	506	84.19%	740	73.34%	587	78.16%	5,136	84.57%	
Trial Verdict	68	5.09%	76	5.77%	50	4.73%	52	8.65%	142	14.07%	117	15.58%	505	8.32%	
Arbitration	15	1.12%	22	1.67%	19	1.80%	9	1.50%	9	0.89%	7	0.93%	81	1.33%	
Total	1,337		1,318		1,057		601		1,009		751		6,073		

Source: Closed Claim Reporting Form, Form B

Michigan Office of Financial and Insurance Services

Exhibit 6

Closed Claim Analysis

Indemnity and ALAE Severity by Closure Lag
by Closure Year

Closure Lag	2000	2001	2002	2003	2004	2005	Total
<1 yr	2,605	11,160	11,195	5,576	30,470	1,000	11,678
1-2 yrs	28,319	24,654	29,647	25,302	14,268	12,148	23,508
2 - 4 yrs	94,330	94,076	66,403	120,444	75,746	61,222	86,111
5 - 9 yrs	97,577	99,734	111,770	93,457	116,788	132,713	108,081
10 - 14 yrs	160,992	77,978	106,980	71,161	80,331	102,857	104,349
15 + yrs	63,574	87,316	61,033	153,132	96,428	428,585	136,986
Total	95,198	95,098	93,485	100,613	98,047	116,374	98,641

Source: Closed Claim Reporting Form, Form B

Closure Lag is calculated as the difference between Incident Year and Closure Year.

Michigan Office of Financial and Insurance Services
Closed Claim Analysis

Average Indemnity and ALAE

Exhibit 7
Page 1

County	Closed Claim Counts	Average Indemnity Paid by Defendant	Average Allocated Expense Paid by Defendant
Alcona	3	6,083	39,177
Alger	7	17,786	15,886
Allegan	18	10,000	14,320
Aplena	22	65,455	23,758
Antrim	7	45,714	11,882
Arenac	3	-	7,789
Baraga	10	43,559	7,012
Barry	11	72,182	54,291
Bay	62	129,597	71,088
Benzie	3	114,167	55,879
Berrien	91	78,669	68,503
Branch	13	43,820	36,722
Calhoun	112	77,070	45,207
Cass	4	93,000	16,124
Charlevoix	10	27,500	2,640
Cheboygan	12	14,792	20,542
Chippewa	28	38,411	29,775
Clare	2	28,250	13,098
Clinton	5	41,000	28,153
Crawford	14	52,459	23,209
Delta	40	44,358	15,931
Dickinson	21	24,714	31,176
Eaton	23	18,870	20,535
Emmet	38	57,352	23,233
Genesee	456	51,020	26,259
Gladwin	7	40,000	27,681
Gogebic	3	147,500	38,333
Grand Traverse	70	70,044	22,718
Gratiot	14	112,857	22,024
Hillsdale	17	89,441	29,131
Houghton	6	112,467	33,216
Huron	14	16,429	37,436
Ingham	213	66,196	28,892
Ionia	14	43,000	18,526
Iosco	18	39,444	27,250
Iron	7	20,357	64,624
Isabella	15	49,295	33,938
Jackson	112	68,168	26,160
Kalamazoo	222	66,150	24,043
Kent	185	115,637	188,622
Lake	2	-	11,710
Lapeer	28	54,098	32,006
Leelanau	4	23,813	15,533
Lenawee	71	108,337	26,546
Livingston	65	36,054	28,283
Luce	1	125,000	14,000

Michigan Office of Financial and Insurance Services
Closed Claim Analysis

Average Indemnity and ALAE

Exhibit 7
Page 2

County	Closed Claim Counts	Average Indemnity Paid by Defendant	Average Allocated Expense Paid by Defendant
Mackinac	41	33,265	8,815
Macomb	328	53,289	27,789
Manistee	9	44,867	26,269
Marquette	64	57,726	17,092
Mason	17	62,706	52,427
Mecosta	10	24,225	9,782
Menominee	14	7,361	6,290
Midland	48	74,874	31,742
Missaukee	5	80,000	38,992
Monroe	45	65,201	41,044
Montcalm	38	50,553	24,748
Muskegon	104	68,340	41,464
Newaygo	4	25,000	26,453
Oakland	955	39,274	34,059
Oceana	3	30,000	4,840
Ogemaw	41	24,024	13,533
Ontonagon	2	101,250	9,861
Osceola	9	50,925	35,757
Oscoda	2	1	653,189
Otsego	16	27,406	44,376
Ottawa	41	44,488	33,839
Presque Isle	1	-	49
Roscommon	3	8,333	11,210
Saginaw	204	71,094	29,745
St. Clair	43	44,765	24,573
St. Joseph	16	64,483	30,081
Sanilac	20	96,038	25,905
Schoolcraft	65	69,408	24,701
Shiawassee	34	84,284	26,615
Tuscola	13	91,198	21,774
Van Buren	19	45,987	42,172
Washtenaw	344	56,488	32,816
Wayne	1,145	65,494	36,162
Wexford	19	63,706	31,145

Michigan Office of Financial and Insurance Services
Accident Year Frequency, Severity, Loss & LAE Ratios
Medical Malpractice Occurrence plus Claims Made

Exhibit 8

Company	Year	Direct and Assumed Earned Premium	Direct and Assumed Ultimate Loss & LAE	Ultimate Claims	Direct and Assumed Frequency/ EP (\$M)	Direct and Assumed Ultimate Severity	Held Loss & LAE Ratio
Total US PC Industry	2000	6,864,341	9,550,534	135,865	19.79	70,294	139.1%
Total US PC Industry	2001	7,497,230	10,132,896	143,849	19.19	70,441	135.2%
Total US PC Industry	2002	9,888,484	10,528,821	165,564	16.74	63,594	106.5%
Total US PC Industry	2003	12,172,666	10,898,622	167,418	13.75	65,098	89.5%
Total US PC Industry	2004	13,052,533	10,725,273	145,352	11.14	73,788	82.2%
Total US PC Industry	2005	14,173,539	11,030,594	158,096	11.15	69,771	77.8%
Total US PC Industry	Totals	63,648,793	62,866,740	916,143	14.39	68,621	98.8%
Medical Protective Company	2000	258,099	336,576	3,983	15.43	84,507	130.4%
Medical Protective Company	2001	355,395	430,815	4,741	13.34	90,870	121.2%
Medical Protective Company	2002	489,923	486,105	5,907	12.06	82,298	99.2%
Medical Protective Company	2003	769,925	624,689	6,749	8.77	92,567	81.1%
Medical Protective Company	2004	770,410	610,111	4,930	6.40	123,754	79.2%
Medical Protective Company	2005	684,072	513,919	3,860	5.64	133,136	75.1%
Medical Protective Company	Totals	3,327,824	3,002,215	30,169	9.07	99,513	90.2%
ProNational Insurance Company	2000	134,107	191,359	2,422	18.06	79,019	142.7%
ProNational Insurance Company	2001	144,492	190,563	2,289	15.84	83,236	131.9%
ProNational Insurance Company	2002	156,930	185,930	1,866	11.89	99,657	118.5%
ProNational Insurance Company	2003	183,754	174,503	1,276	6.94	136,782	95.0%
ProNational Insurance Company	2004	191,535	166,778	838	4.37	199,128	87.1%
ProNational Insurance Company	2005	197,224	162,665	705	3.57	230,763	82.5%
ProNational Insurance Company	Totals	1,008,042	1,071,798	9,395	9.32	114,081	106.3%
MHA Insurance Company	2000	27,596	26,624	581	21.04	45,848	96.5%
MHA Insurance Company	2001	26,316	33,799	554	21.04	61,046	128.4%
MHA Insurance Company	2002	37,368	47,111	797	21.34	59,084	126.1%
MHA Insurance Company	2003	58,447	52,957	886	15.16	59,776	90.6%
MHA Insurance Company	2004	68,324	63,973	883	12.93	72,422	93.6%
MHA Insurance Company	2005	76,338	74,259	1,731	22.68	42,896	97.3%
MHA Insurance Company	Totals	294,389	298,723	5,432	18.45	54,992	101.5%
American Physicians Assurance Corp	2000	125,898	173,726	2,848	22.62	60,998	138.0%
American Physicians Assurance Corp	2001	120,155	196,740	2,768	23.03	71,086	163.7%
American Physicians Assurance Corp	2002	168,829	205,739	2,821	16.71	72,933	121.9%
American Physicians Assurance Corp	2003	181,917	176,584	2,124	11.67	83,154	97.1%
American Physicians Assurance Corp	2004	192,065	160,484	1,587	8.26	101,120	83.6%
American Physicians Assurance Corp	2005	180,775	142,598	1,429	7.91	99,765	78.9%
American Physicians Assurance Corp	Totals	969,639	1,055,871	13,577	14.00	77,771	108.9%
Michigan Professional Insurance Exchange	2000	8,240	7,216	137	16.58	52,808	87.6%
Michigan Professional Insurance Exchange	2001	9,053	8,159	195	21.56	41,796	90.1%
Michigan Professional Insurance Exchange	2002	11,088	7,078	151	13.62	46,871	63.8%
Michigan Professional Insurance Exchange	2003	13,712	10,637	163	11.88	65,278	77.6%
Michigan Professional Insurance Exchange	2004	13,420	12,588	151	11.25	83,382	93.8%
Michigan Professional Insurance Exchange	2005	16,126	16,270	224	13.88	72,691	100.9%
Michigan Professional Insurance Exchange	Totals	71,639	61,948	1,021	14.25	60,697	86.5%

Source: Annual Statement Schedule P, Analysis Claim Reporting Patterns

Michigan Office of Financial and Insurance Services
Accident Year Reserve Development

Exhibit 9

Page 1

Total US PC Industry

Accident Year	Occurrence Coverage			Claims Made Coverage			All Coverages Combined		
	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference
1983	1,723,220	2,463,501	644,742				1,723,220	2,463,501	644,742
1984	1,953,791	2,672,030	688,577				1,953,791	2,672,030	688,577
1985	2,816,069	2,821,857	740,281				2,816,069	2,821,857	740,281
1986	2,352,144	1,595,897	718,239	1,430,307	1,053,046	-377,261	3,782,451	2,648,943	340,978
1987	2,047,967	1,323,009	5,788	1,878,822	1,311,002	-567,820	3,926,789	2,634,011	-562,032
1988	1,699,015	1,046,396	-756,247	2,192,936	1,390,953	-801,983	3,891,951	2,437,349	-1,558,230
1989	1,904,193	1,015,994	-724,958	2,497,558	1,638,427	-859,131	4,401,751	2,654,421	-1,584,089
1990	1,765,951	1,135,955	-652,619	2,710,798	1,783,500	-927,298	4,476,749	2,919,455	-1,579,917
1991	1,680,977	1,242,492	-888,199	2,992,188	2,281,262	-710,926	4,673,165	3,523,754	-1,599,125
1992	1,608,852	1,161,299	-629,996	3,117,994	2,267,284	-850,710	4,726,846	3,428,583	-1,480,706
1993	1,490,317	1,154,720	-438,485	3,330,651	2,523,067	-807,584	4,820,968	3,677,787	-1,246,069
1994	1,765,645	1,341,849	-447,553	3,364,855	2,697,617	-667,238	5,130,500	4,039,466	-1,114,791
1995	1,720,840	1,465,817	-255,023	3,395,109	3,088,364	-306,745	5,115,949	4,554,181	-561,768
1996	1,600,927	1,635,999	35,072	3,405,450	3,304,502	-100,948	5,006,377	4,940,501	-65,876
1997	1,677,900	1,738,374	60,474	3,600,666	3,776,413	175,747	5,278,566	5,514,787	236,221
1998	1,630,510	1,957,846	327,336	3,591,922	4,256,714	664,792	5,222,432	6,214,560	992,128
1999	1,608,617	2,066,086	457,469	3,449,616	4,215,895	766,279	5,058,233	6,281,981	1,223,748
2000	1,561,554	2,008,081	446,527	3,436,713	4,334,469	897,756	4,998,267	6,342,550	1,344,283
2001	1,806,896	2,129,484	322,588	4,126,123	4,950,589	824,466	5,933,019	7,080,073	1,147,054
2002	2,185,682	2,388,097	202,415	4,645,839	5,048,055	402,216	6,831,521	7,436,152	604,631
2003	2,500,164	2,641,002	140,838	4,996,834	4,627,214	-369,620	7,496,998	7,268,216	-228,782
2004	2,192,383	2,163,723	-28,660	5,141,305	4,853,567	-287,738	7,333,688	7,017,290	-316,398
2005	2,247,353	2,247,353	0	5,336,039	5,336,039	0	7,583,392	7,583,392	0
Totals	43,540,967	41,416,861	-31,394	68,641,725	64,737,979	-3,903,746	112,182,692	106,154,840	-3,935,140

Data Source: 2006 AM Best Schedule P Data for Accident years 1996 - 2005

Data Source: 2005 AM Best Aggregates and Averages for Accident Years 1995

Data Source: 2004 AM Best Aggregates and Averages for Accident Years 1994

Data Source: 2002 AM Best Aggregates and Averages for Accident Years 1992 - 1993

Data Source: 1999 AM Best Aggregates and Averages for Accident Years 1989 - 1991

Data Source: 1998 AM Best Aggregates and Averages for Accident Years 1988

Data Source: 1996 AM Best Aggregates and Averages for Accident Years 1986-1987

Data Source: 1993 AM Best Aggregates and Averages for Accident Years 1983 - 1985

Michigan Office of Financial and Insurance Services
Accident Year Reserve Development

Exhibit 9

Page 2

Michigan Professional Insurance Exchange

Accident Year	Occurrence Coverage			Claims Made Coverage			All Coverages Combined		
	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference
1996	5,071	5,808	737	213	226	13	5,284	6,034	750
1997	6,144	3,290	-2,854	542	540	-2	6,686	3,830	-2,856
1998	6,070	6,648	578	653	1,196	543	6,723	7,844	1,121
1999	5,978	5,009	-969	463	161	-302	6,441	5,170	-1,271
2000	4,958	3,839	-1,119	1,925	2,945	1,020	6,883	6,784	-99
2001	4,074	3,090	-984	3,569	4,530	961	7,643	7,620	-23
2002	4,288	4,165	-123	2,909	1,885	-1,024	7,197	6,050	-1,147
2003	5,383	4,660	-723	3,804	3,993	189	9,187	8,653	-534
2004	6,362	6,147	-215	3,280	3,817	537	9,642	9,964	322
2005	9,074	9,074	0	3,907	3,907	0	12,981	12,981	0
Totals	57,402	51,730	-5,672	21,265	23,200	1,935	78,667	74,930	-3,737

Medical Protective Company

Accident Year	Occurrence Coverage			Claims Made Coverage			All Coverages Combined		
	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference
1996	165,477	141,804	-23,673	78,662	83,417	4,755	244,139	225,221	-18,918
1997	130,080	102,922	-27,158	85,138	97,563	12,425	215,218	200,485	-14,733
1998	105,755	79,262	-26,493	85,923	103,798	17,875	191,678	183,060	-8,618
1999	111,173	102,650	-8,523	106,269	135,087	28,818	217,442	237,737	20,295
2000	109,907	117,648	7,741	124,359	154,557	30,198	234,266	272,205	37,939
2001	136,638	115,500	-21,138	151,421	207,683	56,262	288,059	323,183	35,124
2002	173,995	111,729	-62,266	213,912	234,378	20,466	387,907	346,107	-41,800
2003	201,487	134,930	-66,557	363,258	259,050	-104,208	564,745	393,980	-170,765
2004	158,654	88,954	-69,700	265,684	150,064	-115,620	424,338	239,018	-185,320
2005	71,860	71,860	0	114,457	114,457	0	186,317	186,317	0
Totals	1,365,026	1,067,259	-297,767	1,589,083	1,540,054	-49,029	2,954,109	2,607,313	-346,796

ProNational Insurance Company

Accident Year	Occurrence Coverage			Claims Made Coverage			All Coverages Combined		
	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference
1996	13,033	14,524	1,491	102,577	87,983	-14,594	115,610	102,507	-13,103
1997	15,342	18,557	3,215	103,438	93,896	-9,542	118,780	112,453	-6,327
1998	12,146	23,854	11,708	110,772	102,311	-8,461	122,918	126,165	3,247
1999	12,974	27,312	14,338	101,961	96,561	-5,400	114,935	123,873	8,938
2000	18,970	34,695	15,725	108,380	103,088	-5,292	127,350	137,783	10,433
2001	28,989	53,267	24,278	114,784	97,948	-16,836	143,773	151,215	7,442
2002	43,893	54,351	10,458	99,601	94,162	-5,439	143,494	148,513	5,019
2003	35,227	34,101	-1,126	133,240	120,769	-12,471	168,467	154,870	-13,597
2004	14,757	14,796	39	147,760	139,995	-7,765	162,517	154,791	-7,726
2005	16,772	16,772	0	134,142	134,142	0	150,914	150,914	0
Totals	212,103	292,229	80,126	1,156,655	1,070,855	-85,800	1,368,758	1,363,084	-5,674

Data Source: 2006 AM Best Schedule P Data v5.0

Michigan Office of Financial and Insurance Services
Accident Year Reserve Development

Exhibit 9
Page 3

MHA Insurance Company

Accident Year	Occurrence Coverage			Claims Made Coverage			All Coverages Combined		
	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference
1996	936	493	-443	25,316	12,225	-13,091	26,252	12,718	-13,534
1997	678	2,171	1,493	24,676	22,525	-2,151	25,354	24,696	-658
1998	696	1,043	347	24,094	20,541	-3,553	24,790	21,584	-3,206
1999	1,195	655	-540	22,880	18,013	-4,867	24,075	18,668	-5,407
2000	848	515	-333	19,527	20,436	909	20,375	20,951	576
2001	1,276	1,406	130	25,367	20,728	-4,639	26,643	22,134	-4,509
2002	1,643	1,910	267	32,952	29,879	-3,073	34,595	31,789	-2,806
2003	1,059	2,289	1,230	41,440	36,626	-4,814	42,499	38,915	-3,584
2004	1,284	1,176	-108	44,352	46,258	1,906	45,636	47,434	1,798
2005	1,192	1,192	0	55,946	55,946	0	57,138	57,138	0
Totals	10,807	12,850	2,043	316,550	283,177	-33,373	327,357	296,027	-31,330

American Physicians Assurance Corp

Accident Year	Occurrence Coverage			Claims Made Coverage			All Coverages Combined		
	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference	Initial Reserves	Mature Evaluation	Difference
1996	45,515	31,569	-13,946	36,389	34,023	-2,366	81,904	65,592	-16,312
1997	42,472	30,362	-12,110	36,917	32,973	-3,944	79,389	63,335	-16,054
1998	45,740	50,580	4,840	54,645	47,288	-7,357	100,385	97,868	-2,517
1999	41,280	44,946	3,666	60,814	61,915	1,101	102,094	106,861	4,767
2000	31,062	52,388	21,326	62,824	90,939	28,115	93,886	143,327	49,441
2001	47,431	48,899	1,468	98,604	109,898	11,294	146,035	158,797	12,762
2002	50,948	48,741	-2,207	97,522	113,157	15,635	148,470	161,898	13,428
2003	50,189	45,606	-4,583	91,050	90,773	-277	141,239	136,379	-4,860
2004	44,747	45,395	648	85,514	83,426	-2,088	130,261	128,821	-1,440
2005	46,480	46,480	0	67,352	67,352	0	113,832	113,832	0
Totals	445,864	444,966	-898	691,631	731,744	40,113	1,137,495	1,176,710	39,215

Data Source: 2006 AM Best Schedule P Data v5.0

Michigan Office of Financial and Insurance Services
Industry Direct Loss & DACC to Direct Earned Premium by State and Year

Exhibit 10

Page 1

State	Calendar Year						2005 Rank	All Year Average	2000-2005 Rank
	2000	2001	2002	2003	2004	2005			
Alabama	93.9%	79.1%	69.8%	34.1%	53.2%	57.5%	13	62.2%	2
Alaska	37.6%	144.0%	85.7%	112.5%	58.8%	18.2%	1	71.2%	5
Arizona	97.6%	128.1%	126.8%	101.0%	84.4%	75.4%	33	98.3%	26
Arkansas	139.1%	230.6%	187.6%	128.2%	91.9%	74.1%	31	128.9%	50
California	68.3%	90.9%	90.7%	77.4%	66.8%	60.7%	16	74.9%	8
Colorado	70.5%	81.0%	86.4%	91.6%	76.1%	55.5%	11	75.9%	10
Connecticut	174.1%	167.8%	144.7%	85.3%	71.6%	100.5%	45	113.8%	42
Delaware	72.4%	134.5%	111.9%	96.5%	145.2%	85.1%	38	107.3%	35
District of Columbia	90.4%	109.3%	132.1%	127.5%	54.6%	105.9%	49	102.1%	30
Florida	165.6%	151.2%	130.0%	115.9%	93.1%	67.1%	23	115.8%	43
Georgia	135.1%	160.0%	150.4%	108.7%	92.1%	62.4%	17	109.9%	40
Hawaii	60.8%	159.5%	76.0%	69.8%	117.6%	93.7%	41	95.4%	22
Idaho	98.0%	130.1%	124.5%	92.8%	75.5%	95.0%	42	99.5%	27
Illinois	119.6%	155.6%	178.6%	128.7%	101.3%	101.5%	46	126.8%	48
Indiana	58.4%	87.4%	120.2%	115.8%	121.1%	66.7%	22	97.5%	25
Iowa	62.8%	93.9%	66.5%	111.6%	60.5%	55.6%	12	73.7%	7
Kansas	77.2%	99.8%	124.6%	140.2%	42.0%	60.3%	15	85.6%	17
Kentucky	176.3%	116.6%	101.2%	112.9%	85.0%	68.2%	24	103.0%	31
Louisiana	92.6%	83.1%	67.9%	91.4%	73.9%	73.1%	30	79.7%	12
Maine	91.9%	120.1%	69.6%	89.0%	74.3%	70.3%	27	82.5%	13
Maryland	101.0%	109.6%	113.9%	108.5%	117.6%	102.3%	47	109.0%	37
Massachusetts	180.3%	135.1%	130.0%	91.2%	68.8%	96.8%	44	109.3%	38
Michigan	50.4%	91.2%	64.4%	76.7%	84.9%	43.8%	6	68.4%	4
Minnesota	39.5%	115.1%	54.9%	61.6%	73.3%	65.5%	19	68.2%	3
Mississippi	143.7%	226.2%	172.9%	134.8%	64.4%	75.3%	32	127.9%	49
Missouri	111.9%	114.7%	143.9%	126.5%	71.0%	80.6%	36	104.8%	33
Montana	189.8%	135.3%	158.8%	128.1%	108.3%	112.0%	50	132.0%	51
Nebraska	76.4%	64.5%	97.0%	93.4%	59.4%	54.4%	10	73.2%	6
Nevada	104.6%	177.0%	176.3%	87.5%	81.6%	43.6%	5	107.9%	36
New Hampshire	170.7%	106.0%	74.8%	101.2%	115.0%	69.7%	26	99.6%	28
New Jersey	56.4%	103.9%	127.1%	99.7%	61.9%	65.7%	20	84.2%	14
New Mexico	72.3%	231.8%	136.5%	103.4%	131.3%	96.1%	43	126.4%	47
New York	66.6%	127.2%	127.1%	138.2%	134.9%	119.5%	51	121.2%	45
North Carolina	115.0%	140.1%	94.9%	85.5%	80.7%	51.5%	8	87.3%	18
North Dakota	76.2%	101.2%	83.7%	63.5%	67.4%	82.3%	37	78.1%	11
Ohio	140.1%	134.8%	121.8%	117.7%	59.0%	48.8%	7	95.4%	21
Oklahoma	114.8%	130.1%	133.5%	276.9%	49.5%	34.8%	4	117.7%	44
Oregon	97.9%	166.4%	119.0%	106.6%	91.7%	71.9%	29	103.2%	32
Pennsylvania	136.4%	172.0%	144.4%	141.4%	90.5%	85.8%	39	121.4%	46
Rhode Island	152.1%	123.4%	109.8%	126.5%	71.8%	77.6%	34	106.2%	34
South Carolina	91.8%	132.8%	88.3%	157.6%	93.4%	103.0%	48	110.9%	41
South Dakota	26.7%	59.8%	67.6%	100.2%	104.7%	66.2%	21	75.4%	9
Tennessee	208.5%	125.5%	132.6%	95.3%	73.4%	77.8%	35	109.9%	39
Texas	150.2%	133.0%	103.3%	109.3%	72.7%	52.7%	9	99.9%	29
Utah	90.8%	129.8%	103.2%	93.7%	73.4%	71.3%	28	90.0%	20
Vermont	48.4%	168.2%	124.4%	109.0%	75.3%	90.1%	40	97.4%	24
Virginia	88.2%	129.3%	117.4%	83.4%	74.0%	68.2%	25	87.7%	19
Washington	98.1%	108.6%	114.2%	80.8%	69.0%	63.4%	18	84.5%	15
West Virginia	143.7%	137.8%	106.6%	86.7%	54.0%	27.0%	2	85.4%	16
Wisconsin	25.0%	55.7%	56.6%	66.5%	58.9%	59.0%	14	55.5%	1
Wyoming	149.8%	108.6%	89.5%	237.9%	11.5%	33.9%	3	96.4%	23
United States	108.3%	128.5%	120.5%	109.2%	85.5%	75.6%		101.5%	

Source: Annual Statement Page 15 via AM Best products

Michigan Office of Financial and Insurance Services
Industry Direct Earned Premium by State and Year

Exhibit 10

Page 2

State	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
Alabama	100,019	123,351	127,474	142,809	154,906	167,260	135,970
Alaska	12,485	13,300	14,987	19,270	21,874	24,317	17,706
Arizona	131,011	135,597	179,965	204,557	252,236	264,580	194,658
Arkansas	35,971	39,727	55,157	64,080	79,866	84,646	59,908
California	608,071	642,409	784,989	870,720	922,590	945,571	795,725
Colorado	84,280	98,073	110,221	127,018	148,083	159,277	121,159
Connecticut	106,180	120,543	173,877	210,474	219,514	226,867	176,243
Delaware	17,388	16,315	22,026	28,780	31,995	38,028	25,755
District of Columbia	36,090	30,893	35,164	37,573	41,678	44,024	37,570
Florida	505,535	604,014	760,892	852,417	829,450	797,768	725,013
Georgia	182,944	200,017	263,476	322,097	385,426	380,600	289,093
Hawaii	29,979	30,104	34,883	35,068	33,621	35,805	33,243
Idaho	20,144	21,828	26,607	32,986	37,555	42,368	30,248
Illinois	391,652	397,692	510,988	633,056	731,506	703,467	561,394
Indiana	51,668	58,619	78,565	101,049	92,996	104,358	81,209
Iowa	54,666	58,831	72,250	79,532	96,049	101,743	77,179
Kansas	43,243	45,804	43,890	55,333	57,536	98,925	57,455
Kentucky	78,328	81,826	111,597	134,835	144,956	153,649	117,532
Louisiana	76,014	82,000	93,591	107,402	114,000	112,166	97,529
Maine	26,041	27,055	38,473	40,929	47,846	51,238	38,597
Maryland	148,399	155,433	198,053	254,532	264,705	306,291	221,236
Massachusetts	157,764	141,352	226,295	255,928	274,426	298,480	225,708
Michigan	173,944	177,045	213,271	264,346	265,414	271,143	227,527
Minnesota	50,040	56,147	67,794	75,301	84,616	92,313	71,035
Mississippi	57,368	70,363	90,828	109,737	111,244	106,531	91,012
Missouri	108,031	118,793	182,455	202,667	237,598	223,757	178,884
Montana	16,323	17,348	28,779	35,323	36,969	37,916	28,776
Nebraska	24,614	22,359	26,778	29,834	34,299	35,223	28,851
Nevada	50,800	57,288	85,571	81,777	86,903	88,577	75,153
New Hampshire	17,333	19,296	31,792	38,219	45,422	44,611	32,779
New Jersey	307,448	290,103	359,857	463,872	443,717	531,121	399,353
New Mexico	27,147	29,940	35,290	37,597	42,550	45,743	36,378
New York	857,160	888,290	1,003,694	1,198,522	1,278,788	1,317,396	1,090,642
North Carolina	126,342	158,676	203,671	257,953	289,407	310,134	224,364
North Dakota	12,841	12,887	17,349	18,768	16,506	19,095	16,241
Ohio	251,874	299,816	393,316	517,405	554,537	533,739	425,115
Oklahoma	57,068	62,888	91,658	106,708	109,682	139,278	94,547
Oregon	40,990	56,534	67,707	96,654	106,226	113,032	80,191
Pennsylvania	316,200	316,033	389,142	461,897	596,078	577,841	442,865
Rhode Island	21,833	21,681	31,010	36,679	35,703	34,915	30,304
South Carolina	18,850	23,587	32,003	37,425	45,065	50,795	34,621
South Dakota	10,538	10,543	16,421	17,138	20,286	22,984	16,318
Tennessee	179,414	250,361	282,791	363,873	323,607	341,066	290,185
Texas	348,171	415,457	557,467	618,785	546,091	511,609	499,597
Utah	36,103	37,152	50,496	60,431	65,142	69,967	53,215
Vermont	9,163	6,891	17,139	15,849	22,884	24,704	16,105
Virginia	113,818	132,416	149,816	201,679	265,144	285,277	191,358
Washington	109,996	134,009	181,844	234,439	254,262	253,289	194,640
West Virginia	62,785	76,937	110,334	75,598	121,809	108,226	92,615
Wisconsin	59,505	64,060	78,498	87,160	106,230	115,771	85,204
Wyoming	10,355	10,594	15,671	18,575	20,627	23,208	16,505
United States	6,373,929	6,962,280	8,775,862	10,374,654	11,149,617	11,470,687	9,184,505

Source: Annual Statement Page 15 via AM Best products

Michigan Office of Financial and Insurance Services
Medical Malpractice Underwriting Expense Ratios by State and Year

Exhibit 10

Page 3

State	Calendar Year						2005 Rank	All Year Average	2000-2005 Rank
	2000	2001	2002	2003	2004	2005			
Alabama	16.7%	15.2%	13.2%	12.9%	12.2%	14.2%	13	13.8%	4
Alaska	18.7%	17.6%	15.6%	14.6%	13.1%	13.8%	8	15.1%	8
Arizona	16.5%	16.3%	14.5%	15.2%	13.9%	15.4%	24	15.2%	10
Arkansas	21.4%	20.6%	17.8%	16.9%	14.9%	19.3%	47	18.0%	40
California	20.0%	19.5%	16.8%	16.4%	14.7%	16.0%	29	16.9%	30
Colorado	16.1%	14.8%	14.2%	12.8%	11.5%	12.9%	3	13.5%	3
Connecticut	18.0%	18.3%	16.3%	14.7%	14.2%	15.1%	19	15.7%	21
Delaware	24.6%	24.5%	24.0%	20.0%	16.8%	19.3%	46	20.7%	49
District of Columbia	18.7%	18.2%	16.3%	13.6%	13.0%	14.3%	14	15.5%	17
Florida	20.3%	19.7%	17.7%	15.6%	14.6%	15.7%	26	16.9%	32
Georgia	19.0%	19.2%	15.2%	14.9%	13.1%	15.4%	23	15.5%	19
Hawaii	24.5%	20.5%	16.3%	16.6%	15.7%	16.7%	33	18.1%	41
Idaho	18.9%	18.5%	18.6%	17.7%	16.3%	17.3%	42	17.7%	38
Illinois	18.1%	17.9%	15.3%	15.3%	13.4%	14.6%	16	15.4%	13
Indiana	19.3%	17.5%	16.4%	14.2%	15.0%	16.1%	30	16.1%	25
Iowa	18.4%	17.1%	15.1%	15.3%	13.7%	15.5%	25	15.5%	20
Kansas	19.2%	18.8%	18.7%	17.3%	15.5%	16.7%	34	17.5%	35
Kentucky	21.1%	19.8%	17.9%	16.5%	15.5%	17.0%	39	17.6%	37
Louisiana	19.1%	18.4%	15.6%	13.8%	13.5%	14.2%	12	15.4%	14
Maine	19.4%	17.8%	15.7%	15.7%	13.3%	13.8%	6	15.5%	16
Maryland	19.9%	19.1%	15.9%	15.3%	14.2%	15.2%	21	16.1%	26
Massachusetts	20.7%	21.5%	17.3%	17.0%	15.1%	16.5%	31	17.5%	36
Michigan	18.9%	19.0%	15.9%	16.0%	14.5%	15.8%	27	16.4%	29
Minnesota	20.1%	18.3%	15.0%	15.3%	14.2%	15.0%	18	15.9%	23
Mississippi	19.0%	16.6%	14.8%	16.2%	14.0%	16.7%	36	16.0%	24
Missouri	20.3%	20.6%	17.5%	15.2%	13.7%	13.5%	5	16.1%	27
Montana	18.5%	19.2%	16.6%	13.7%	12.6%	13.9%	9	15.1%	9
Nebraska	20.4%	19.4%	16.4%	16.1%	15.9%	16.6%	32	17.2%	34
Nevada	22.9%	22.4%	19.7%	17.9%	15.3%	17.1%	40	18.7%	46
New Hampshire	21.6%	25.2%	17.9%	18.0%	14.8%	16.8%	38	18.4%	44
New Jersey	18.8%	19.2%	16.6%	16.8%	15.3%	16.7%	37	16.9%	31
New Mexico	17.8%	17.2%	15.7%	15.1%	13.5%	14.8%	17	15.5%	15
New York	15.9%	15.1%	12.7%	12.6%	11.7%	12.9%	2	13.3%	2
North Carolina	20.6%	18.7%	15.3%	15.9%	14.7%	15.4%	22	16.2%	28
North Dakota	22.6%	21.2%	18.0%	17.7%	15.5%	16.7%	35	18.2%	43
Ohio	22.9%	21.5%	18.5%	16.9%	16.1%	17.1%	41	18.2%	42
Oklahoma	7.3%	18.1%	15.5%	15.5%	16.1%	15.9%	28	15.2%	11
Oregon	17.5%	16.3%	13.9%	13.2%	12.8%	13.0%	4	13.9%	6
Pennsylvania	19.2%	18.4%	15.9%	14.6%	13.2%	13.9%	10	15.4%	12
Rhode Island	22.4%	20.8%	19.4%	17.2%	16.4%	18.5%	45	18.8%	47
South Carolina	26.4%	20.5%	18.0%	12.7%	14.4%	17.3%	44	17.1%	33
South Dakota	24.0%	23.9%	21.8%	20.2%	19.3%	20.7%	49	21.2%	50
Tennessee	15.9%	14.4%	11.7%	11.6%	10.4%	11.6%	1	12.2%	1
Texas	19.2%	18.7%	15.0%	13.7%	13.3%	15.2%	20	15.5%	18
Utah	15.7%	15.9%	13.9%	13.2%	12.4%	13.8%	7	13.9%	5
Vermont	22.7%	24.5%	20.3%	26.0%	20.0%	20.0%	48	21.7%	51
Virginia	20.3%	18.9%	17.8%	18.4%	15.7%	17.3%	43	17.7%	39
Washington	17.5%	16.4%	14.4%	13.7%	12.7%	14.6%	15	14.5%	7
West Virginia	21.7%	22.8%	17.1%	17.0%	14.1%	20.8%	50	18.4%	45
Wisconsin	20.8%	19.1%	15.6%	15.8%	13.1%	14.1%	11	15.8%	22
Wyoming	22.9%	20.7%	21.5%	19.0%	19.8%	20.9%	51	20.6%	48
United States	18.9%	18.3%	15.8%	15.1%	13.9%	15.2%		15.8%	

Source: Analysis of Page 15 and the Insurance Expense Exhibit

Michigan Office of Financial and Insurance Services
Industry Medical Malpractice Combined Operating Ratios by State and Year

Exhibit 10

Page 4

State	Calendar Year						2005 Rank	All Year Average	2000-2005 Rank
	2000	2001	2002	2003	2004	2005			
Alabama	116.9%	100.3%	87.7%	52.0%	70.2%	76.1%	13	80.4%	1
Alaska	76.9%	178.6%	112.6%	132.1%	76.6%	38.0%	1	95.3%	4
Arizona	128.0%	157.8%	150.5%	123.2%	103.1%	95.2%	32	122.1%	27
Arkansas	168.2%	258.5%	210.7%	150.2%	111.6%	97.8%	34	153.6%	51
California	98.1%	119.8%	114.3%	99.3%	86.5%	82.6%	17	98.7%	7
Colorado	101.8%	111.1%	114.2%	117.1%	95.8%	72.9%	10	100.4%	9
Connecticut	204.1%	195.6%	166.8%	105.1%	90.6%	120.1%	45	135.3%	40
Delaware	103.1%	165.1%	140.6%	121.6%	166.8%	108.8%	39	133.5%	39
District of Columbia	118.4%	134.3%	153.0%	146.2%	72.3%	124.5%	48	123.7%	29
Florida	192.1%	176.9%	152.4%	136.5%	112.5%	87.3%	21	138.7%	44
Georgia	162.2%	186.6%	170.6%	128.6%	109.9%	82.2%	15	131.9%	37
Hawaii	101.3%	186.9%	97.2%	91.6%	138.2%	115.0%	41	119.8%	22
Idaho	133.0%	162.2%	150.7%	115.6%	96.6%	116.7%	43	124.7%	30
Illinois	143.9%	179.5%	198.7%	149.1%	119.6%	120.6%	46	148.1%	48
Indiana	83.9%	110.9%	141.4%	135.1%	140.8%	87.2%	20	118.5%	21
Iowa	94.0%	120.1%	86.4%	132.0%	79.1%	75.5%	12	95.9%	6
Kansas	102.5%	124.6%	148.0%	162.6%	62.3%	81.4%	14	109.0%	18
Kentucky	203.7%	142.6%	123.9%	134.5%	105.3%	89.6%	24	125.6%	31
Louisiana	117.9%	107.4%	88.2%	110.3%	92.2%	91.7%	29	100.2%	8
Maine	118.3%	144.4%	90.0%	109.8%	92.4%	88.5%	22	103.9%	12
Maryland	139.5%	147.3%	142.8%	135.0%	141.4%	121.9%	47	136.5%	42
Massachusetts	219.2%	171.9%	155.1%	114.5%	89.2%	118.8%	44	135.9%	41
Michigan	79.7%	122.2%	86.9%	98.4%	104.3%	64.0%	5	92.3%	2
Minnesota	79.4%	149.8%	80.7%	82.2%	92.4%	85.0%	18	92.8%	3
Mississippi	169.0%	248.8%	192.4%	155.9%	83.2%	96.4%	33	150.1%	49
Missouri	139.9%	142.9%	167.1%	146.7%	89.5%	100.7%	36	127.9%	33
Montana	214.7%	160.7%	180.1%	146.9%	125.6%	130.2%	50	152.9%	50
Nebraska	103.2%	90.7%	118.6%	114.7%	80.1%	75.4%	11	95.5%	5
Nevada	133.7%	205.4%	200.7%	110.5%	101.7%	65.1%	6	131.0%	36
New Hampshire	198.6%	137.3%	97.5%	124.3%	134.6%	90.9%	27	123.5%	28
New Jersey	82.0%	129.0%	148.3%	121.5%	81.9%	86.8%	19	106.7%	15
New Mexico	96.4%	255.0%	156.9%	123.6%	149.6%	115.3%	42	147.4%	47
New York	94.8%	155.2%	148.7%	156.0%	151.5%	136.8%	51	142.2%	45
North Carolina	141.9%	164.9%	115.0%	106.4%	100.2%	71.3%	8	109.1%	19
North Dakota	108.2%	133.4%	106.8%	86.3%	87.8%	103.4%	37	102.4%	10
Ohio	169.3%	162.3%	145.0%	139.7%	79.8%	70.3%	7	120.1%	23
Oklahoma	128.3%	154.3%	153.7%	297.5%	70.3%	55.1%	3	138.1%	43
Oregon	122.7%	189.6%	138.3%	125.4%	109.7%	89.7%	25	122.1%	26
Pennsylvania	161.8%	196.3%	164.9%	161.1%	108.5%	104.1%	38	142.4%	46
Rhode Island	180.7%	150.3%	133.9%	148.7%	92.9%	100.6%	35	129.6%	34
South Carolina	124.4%	159.3%	110.9%	175.4%	112.6%	124.8%	49	132.4%	38
South Dakota	58.4%	90.9%	94.9%	125.5%	128.8%	91.3%	28	102.6%	11
Tennessee	241.5%	151.4%	151.3%	112.0%	88.5%	93.7%	31	129.7%	35
Texas	175.6%	157.8%	123.0%	128.1%	90.8%	72.3%	9	121.3%	24
Utah	112.8%	151.8%	121.7%	112.0%	90.6%	89.5%	23	108.9%	17
Vermont	77.5%	199.4%	149.4%	140.1%	100.1%	114.5%	40	126.2%	32
Virginia	114.8%	154.3%	139.9%	106.9%	94.4%	89.9%	26	110.7%	20
Washington	122.8%	131.1%	133.4%	99.5%	86.5%	82.3%	16	104.4%	13
West Virginia	171.5%	166.6%	128.3%	108.7%	72.8%	52.2%	2	108.4%	16
Wisconsin	87.0%	136.3%	114.2%	116.5%	93.0%	92.0%	30	105.0%	14
Wyoming	178.9%	135.4%	115.7%	262.0%	36.0%	59.1%	4	121.9%	25
United States	136.7%	155.9%	142.7%	130.0%	104.5%	95.5%		124.1%	

Source: Analysis of Page 15 Operating Ratios Augmented with Expense Ratios from the Insurance Expense Exhibit

Michigan Office of Financial and Insurance Services
Industry Medical Malpractice Net Operating Ratios by State and Year

Exhibit 10

Page 5

State	Calendar Year						2005 Rank	All Year Average	2000-2005 Rank
	2000	2001	2002	2003	2004	2005			
Alabama	72.1%	64.1%	61.5%	24.4%	43.7%	50.5%	13	50.5%	1
Alaska	32.1%	142.4%	86.3%	104.6%	50.1%	12.4%	1	65.7%	5
Arizona	83.2%	121.6%	124.2%	95.6%	76.6%	69.6%	32	92.5%	26
Arkansas	123.5%	222.3%	184.4%	122.6%	85.1%	72.2%	34	124.4%	51
California	53.3%	83.6%	88.1%	71.7%	60.0%	57.0%	17	68.7%	7
Colorado	57.0%	74.9%	87.9%	89.5%	69.3%	47.3%	10	70.4%	9
Connecticut	159.3%	159.3%	140.6%	77.5%	64.1%	94.4%	45	105.8%	40
Delaware	58.3%	128.8%	114.4%	94.0%	140.3%	83.1%	39	104.2%	39
District of Columbia	73.6%	98.1%	126.8%	118.6%	45.8%	98.9%	48	93.1%	27
Florida	147.3%	140.7%	126.2%	108.9%	86.0%	61.6%	21	108.6%	43
Georgia	117.4%	150.3%	144.4%	101.0%	83.4%	56.6%	15	102.5%	37
Hawaii	56.5%	150.6%	70.9%	64.0%	111.7%	89.3%	41	89.3%	22
Idaho	88.2%	125.9%	124.5%	88.0%	70.1%	91.1%	43	95.1%	30
Illinois	99.1%	143.3%	172.4%	121.5%	93.1%	94.9%	46	118.4%	48
Indiana	39.1%	74.7%	115.1%	107.5%	114.3%	61.5%	20	88.8%	21
Iowa	49.2%	83.9%	60.2%	104.5%	52.6%	49.9%	12	66.2%	6
Kansas	57.7%	88.4%	121.8%	135.0%	35.8%	55.7%	14	79.0%	17
Kentucky	158.9%	106.4%	97.6%	106.9%	78.8%	63.9%	24	96.1%	31
Louisiana	73.1%	71.2%	61.9%	82.7%	65.7%	66.1%	29	70.0%	8
Maine	73.5%	108.2%	63.8%	82.2%	65.9%	62.8%	22	74.3%	12
Maryland	94.7%	111.1%	116.5%	107.4%	114.9%	96.3%	47	106.9%	42
Massachusetts	174.4%	135.7%	128.8%	86.9%	62.7%	93.2%	44	106.2%	41
Michigan	34.9%	86.0%	60.6%	70.8%	77.8%	38.4%	5	62.2%	2
Minnesota	34.6%	113.6%	54.4%	54.6%	65.9%	59.4%	18	63.0%	3
Mississippi	124.2%	212.5%	166.2%	128.4%	56.7%	70.8%	33	120.3%	49
Missouri	95.1%	106.7%	140.9%	119.2%	63.0%	75.1%	36	98.4%	33
Montana	169.9%	124.4%	153.8%	119.3%	99.1%	104.6%	50	123.5%	50
Nebraska	58.4%	54.5%	92.4%	87.1%	53.6%	49.8%	11	65.6%	4
Nevada	88.9%	169.2%	174.5%	82.9%	75.2%	39.5%	6	101.2%	36
New Hampshire	153.8%	101.1%	71.2%	96.7%	108.1%	65.3%	27	94.0%	29
New Jersey	37.2%	92.8%	122.0%	93.9%	55.4%	61.2%	19	77.0%	15
New Mexico	51.6%	218.8%	130.7%	96.0%	123.1%	89.7%	42	117.5%	47
New York	50.0%	119.0%	122.4%	128.4%	125.0%	111.2%	51	112.1%	45
North Carolina	97.1%	128.7%	88.7%	78.9%	73.7%	45.7%	8	79.8%	19
North Dakota	63.4%	97.1%	80.5%	58.7%	61.3%	77.8%	37	72.4%	10
Ohio	124.5%	126.1%	118.7%	112.1%	53.3%	44.7%	7	90.6%	23
Oklahoma	83.5%	118.0%	127.5%	269.9%	43.8%	29.4%	3	108.8%	44
Oregon	77.9%	153.3%	112.0%	97.8%	83.2%	64.1%	25	93.2%	28
Pennsylvania	117.0%	160.1%	138.6%	133.5%	82.0%	78.5%	38	112.6%	46
Rhode Island	135.9%	114.0%	107.6%	121.2%	66.4%	74.9%	35	99.6%	34
South Carolina	79.6%	123.1%	84.7%	147.8%	86.1%	99.2%	49	103.3%	38
South Dakota	13.6%	54.6%	68.6%	97.9%	102.3%	65.7%	28	73.2%	11
Tennessee	196.7%	115.2%	125.0%	84.4%	62.0%	68.1%	31	99.9%	35
Texas	130.8%	121.5%	96.8%	100.6%	64.4%	46.7%	9	91.2%	24
Utah	68.0%	115.6%	95.5%	84.4%	64.1%	63.9%	23	79.4%	18
Vermont	32.7%	163.1%	123.2%	112.6%	73.6%	88.9%	40	97.1%	32
Virginia	70.0%	118.1%	113.6%	79.3%	67.9%	64.3%	26	81.4%	20
Washington	78.0%	94.9%	107.1%	71.9%	60.0%	56.7%	16	75.1%	13
West Virginia	126.7%	130.3%	102.0%	81.2%	46.3%	26.6%	2	78.3%	16
Wisconsin	42.2%	100.0%	88.0%	88.9%	66.5%	66.4%	30	75.2%	14
Wyoming	134.1%	99.2%	89.4%	234.4%	9.6%	33.5%	4	92.4%	25
United States	91.9%	119.7%	116.4%	102.4%	78.0%	69.9%		94.3%	

Source: Analysis of Page 15 Operating Ratios Augmented with Expense Ratios from the Insurance Expense Exhibit

Michigan Office of Financial and Insurance Services
Michigan Direct Loss & DACC to Direct Earned Premium by Group and Year

Exhibit 11

Page 1

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	100.9%	107.9%	66.9%	74.6%	75.9%	63.7%	77.6%
18321 APCapital Group	14.6%	73.9%	60.4%	47.3%	57.2%	55.2%	51.3%
18559 ProAssurance Group	33.2%	84.8%	87.2%	62.5%	56.6%	71.4%	66.9%
10804 Michigan Professional Insurance Exchange	101.0%	90.4%	67.3%	80.7%	82.5%	80.1%	82.4%
05696 Everest Re U.S. Group				54.7%	76.2%	18.7%	52.0%
18132 Meadowbrook Insurance Group	143.3%	47.7%	66.6%	119.9%	59.7%	74.3%	81.5%
00811 Berkshire Hathaway Insurance Group	38.2%	85.4%	83.1%	92.1%	68.9%	108.3%	82.9%
18540 American International Group Inc	-513.4%	686.3%	-23.0%	127.4%	74.5%	-10.2%	38.8%
18313 CNA Insurance Companies	109.3%	-59.6%	-148.7%	62.0%	87.6%	25.3%	18.5%
18468 Markel Corporation Group	75.2%	36.1%	65.1%	45.2%	58.2%	26.7%	48.2%
04294 Cincinnati Insurance Companies	177.4%	179.7%	-92.9%	24.6%	79.5%	-55.2%	46.8%
18572 GE Insurance Solutions Group	88.7%	157.3%	-50.6%	430.4%	374.9%	-230.0%	111.1%
18429 Allianz of America, Inc	93.9%	-127.4%	51.2%	-29.7%	-7.1%	37.4%	2.1%
18083 Doctors Company Insurance Group	71.5%	56.4%	29.6%	83.0%	53.5%	-28.3%	43.8%
03116 Fairfax Financial (USA) Group	60.7%	28.4%	162.0%	151.6%	160.0%	5.5%	108.2%
18647 St Paul Travelers Group	35.6%	140.0%	210.7%	472.5%	217.9%	-1366.3%	97.5%
Total	45.8%	85.3%	65.1%	74.7%	71.7%	47.6%	65.0%

Source: Annual Statement Page 14 via AM Best products

Michigan Office of Financial and Insurance Services
Michigan Direct Earned Premium by Group and Year

Exhibit 11

Page 2

Companies	Calendar Year														All Year Sum	
	2000		2001		2002		2003		2004		2005					
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	Rank	
03669 MHA Insurance Company	27,133	17.5%	23,756	15.3%	32,594	17.0%	47,417	18.9%	52,244	20.9%	55,032	21.9%	238,176	19.0%	3	
18321 APCapital Group	44,208	28.6%	36,672	23.5%	47,536	24.7%	51,990	20.7%	58,036	23.2%	58,726	23.4%	297,168	23.7%	1	
18559 ProAssurance Group	38,401	24.8%	43,146	27.7%	49,123	25.5%	54,773	21.8%	43,463	17.4%	44,763	17.9%	273,669	21.8%	2	
10804 Michigan Professional Insurance Exchange	8,240	5.3%	9,053	5.8%	11,087	5.8%	13,712	5.5%	13,420	5.4%	16,126	6.4%	71,638	5.7%	5	
05696 Everest Re U.S. Group	0	0.0%	0	0.0%	0	0.0%	19,108	7.6%	16,546	6.6%	13,626	5.4%	49,280	3.9%	7	
18132 Meadowbrook Insurance Group	4,563	2.9%	6,129	3.9%	7,335	3.8%	9,169	3.7%	10,530	4.2%	12,110	4.8%	49,836	4.0%	6	
00811 Berkshire Hathaway Insurance Group	6,068	3.9%	9,093	5.8%	12,088	6.3%	17,895	7.1%	16,190	6.5%	12,115	4.8%	73,449	5.9%	4	
18540 American International Group Inc	2,096	1.4%	1,142	0.7%	4,166	2.2%	8,726	3.5%	9,049	3.6%	8,597	3.4%	33,776	2.7%	8	
18313 CNA Insurance Companies	2,925	1.9%	3,025	1.9%	3,552	1.8%	3,917	1.6%	5,038	2.0%	6,912	2.8%	25,369	2.0%	11	
18468 Markel Corporation Group	1,808	1.2%	2,550	1.6%	4,851	2.5%	7,134	2.8%	7,787	3.1%	7,251	2.9%	31,381	2.5%	9	
04294 Cincinnati Insurance Companies	2,062	1.3%	3,067	2.0%	2,745	1.4%	2,823	1.1%	3,086	1.2%	3,245	1.3%	17,028	1.4%	13	
18572 GE Insurance Solutions Group	1,908	1.2%	1,785	1.1%	2,909	1.5%	2,380	0.9%	3,420	1.4%	3,611	1.4%	16,013	1.3%	14	
18429 Allianz of America, Inc	2,698	1.7%	3,497	2.2%	4,438	2.3%	2,974	1.2%	3,359	1.3%	3,199	1.3%	20,165	1.6%	12	
18083 Doctors Company Insurance Group	1,184	0.8%	1,833	1.2%	2,603	1.4%	3,678	1.5%	3,635	1.5%	2,740	1.1%	15,673	1.2%	15	
03116 Fairfax Financial (USA) Group	1,871	1.2%	2,274	1.5%	3,541	1.8%	3,222	1.3%	2,648	1.1%	1,913	0.8%	15,469	1.2%	16	
18647 St Paul Travelers Group	9,576	6.2%	8,711	5.6%	3,707	1.9%	2,007	0.8%	1,870	0.7%	803	0.3%	26,674	2.1%	10	
Total	154,741	100.0%	155,733	100.0%	192,275	100.0%	250,925	100.0%	250,321	100.0%	250,769	100.0%	1,254,764	100.0%		

Source: Annual Statement Page 14 via AM Best products

Michigan Office of Financial and Insurance Services
Michigan Commissions to Direct Written Premium by Group and Year

Exhibit 11

Page 3

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18321 APCapital Group	6.1%	6.4%	7.8%	7.8%	7.4%	8.0%	7.3%
18559 ProAssurance Group	6.3%	7.9%	8.6%	9.4%	11.6%	9.6%	8.9%
10804 Michigan Professional Insurance Exchange	-0.7%	-0.9%	1.0%	-1.1%	0.0%	0.0%	-0.2%
05696 Everest Re U.S. Group				7.6%	4.3%	4.5%	6.0%
18132 Meadowbrook Insurance Group	9.3%	10.1%	10.1%	10.3%	10.5%	10.3%	10.2%
00811 Berkshire Hathaway Insurance Group	8.3%	7.3%	8.8%	8.2%	8.3%	8.9%	8.3%
18540 American International Group Inc	10.5%	9.8%	4.9%	7.5%	9.5%	12.1%	9.0%
18313 CNA Insurance Companies	28.4%	27.0%	29.6%	29.0%	28.5%	24.8%	27.5%
18468 Markel Corporation Group	25.6%	19.8%	18.0%	18.8%	17.7%	16.2%	18.3%
04294 Cincinnati Insurance Companies	17.3%	12.6%	13.7%	18.2%	25.1%	18.2%	17.4%
18572 GE Insurance Solutions Group	5.3%	5.2%	3.7%	5.0%	3.1%	1.5%	3.7%
18429 Allianz of America, Inc	24.5%	23.2%	22.2%	23.5%	20.3%	22.1%	22.6%
18083 Doctors Company Insurance Group	10.0%	9.1%	11.5%	8.4%	9.1%	8.2%	9.4%
03116 Fairfax Financial (USA) Group	17.3%	17.7%	15.7%	11.2%	4.4%	11.7%	13.1%
18647 St Paul Travelers Group	11.0%	15.0%	20.0%	9.7%	0.4%	0.0%	11.9%
Total	6.5%	7.2%	7.4%	7.2%	7.3%	6.9%	7.1%

Source: Annual Statement Page 14 via AM Best products

Michigan Office of Financial and Insurance Services
Michigan Taxes Licenses and Fees to Direct Written Premium by Group and Year

Exhibit 11

Page 4

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	0.9%	0.4%	1.1%	1.3%	0.8%	0.9%	0.9%
18321 APCapital Group	1.3%	2.5%	1.0%	2.1%	1.0%	1.1%	1.5%
18559 ProAssurance Group	1.2%	1.4%	1.3%	1.4%	0.8%	1.3%	1.3%
10804 Michigan Professional Insurance Exchange	1.1%	1.5%	1.1%	1.1%	1.2%	1.0%	1.1%
05696 Everest Re U.S. Group				0.0%	0.0%	0.0%	0.0%
18132 Meadowbrook Insurance Group	1.2%	1.4%	0.9%	0.5%	0.8%	0.5%	0.8%
00811 Berkshire Hathaway Insurance Group	2.0%	1.8%	1.8%	1.8%	1.2%	1.3%	1.6%
18540 American International Group Inc	1.0%	0.6%	0.2%	0.1%	0.7%	0.6%	0.5%
18313 CNA Insurance Companies	1.6%	0.5%	1.0%	1.0%	2.0%	1.1%	1.2%
18468 Markel Corporation Group	0.0%	0.0%	0.1%	0.3%	0.1%	0.1%	0.1%
04294 Cincinnati Insurance Companies	1.1%	1.8%	1.5%	0.8%	1.4%	1.2%	1.3%
18572 GE Insurance Solutions Group	0.0%	0.1%	0.0%	0.1%	0.1%	0.2%	0.1%
18429 Allianz of America, Inc	3.1%	2.3%	1.9%	1.6%	1.3%	1.4%	1.9%
18083 Doctors Company Insurance Group	2.2%	2.3%	1.4%	1.6%	2.0%	2.3%	1.9%
03116 Fairfax Financial (USA) Group	0.9%	2.2%	1.9%	2.0%	0.0%	0.0%	1.3%
18647 St Paul Travelers Group	2.6%	2.1%	2.1%	3.4%	2.2%	5.1%	2.5%
Total	1.3%	1.5%	1.2%	1.2%	0.9%	1.0%	1.2%

Source: Annual Statement Page 14 via AM Best products

Michigan Office of Financial and Insurance Services
Michigan General Expenses to Direct Written Premium by Group and Year

Exhibit 11

Page 5

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	8.5%	7.1%	4.7%	5.5%	5.9%	7.5%	6.4%
18321 APCapital Group	8.1%	7.0%	5.3%	7.2%	6.6%	6.7%	6.7%
18559 ProAssurance Group	7.3%	6.8%	5.7%	4.7%	4.8%	4.7%	5.4%
10804 Michigan Professional Insurance Exchange	4.0%	4.0%	3.7%	4.4%	6.6%	4.1%	4.5%
05696 Everest Re U.S. Group			1.3%	1.4%	0.8%	1.7%	1.3%
18132 Meadowbrook Insurance Group	8.3%	10.2%	11.9%	11.3%	11.8%	10.3%	10.8%
00811 Berkshire Hathaway Insurance Group	8.1%	7.8%	5.0%	4.6%	6.0%	6.2%	5.9%
18540 American International Group Inc	3.0%	1.5%	0.4%	1.1%	1.5%	1.6%	1.3%
18313 CNA Insurance Companies	7.2%	7.5%	9.1%	6.9%	4.4%	3.0%	5.9%
18468 Markel Corporation Group	14.5%	10.3%	7.6%	7.7%	9.1%	11.2%	9.3%
04294 Cincinnati Insurance Companies	5.7%	3.0%	3.0%	2.9%	3.2%	3.7%	3.4%
18572 GE Insurance Solutions Group	0.2%	0.1%	0.1%	0.1%	1.1%	1.9%	0.5%
18429 Allianz of America, Inc	7.7%	6.0%	8.8%	7.2%	6.1%	7.2%	7.1%
18083 Doctors Company Insurance Group	14.2%	11.1%	9.0%	8.2%	7.6%	9.1%	9.3%
03116 Fairfax Financial (USA) Group	8.7%	7.1%	8.5%	8.9%	1.8%	-2.2%	5.0%
18647 St Paul Travelers Group	5.4%	5.8%	9.5%	7.2%	5.9%	23.5%	6.3%
Total	7.3%	6.7%	5.8%	4.9%	4.7%	4.8%	5.5%

Source: Insurance Expense Exhibit via AM Best products

Michigan Office of Financial and Insurance Services

Michigan Other Acquisition Expenses to Direct Written Premium by Group and Year

Exhibit 11

Page 6

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	2.8%	2.4%	1.6%	1.8%	2.0%	2.5%	2.1%
18321 APCapital Group	6.7%	4.8%	3.5%	4.9%	4.6%	4.6%	4.7%
18559 ProAssurance Group	4.6%	3.8%	1.5%	1.5%	1.6%	1.8%	2.2%
10804 Michigan Professional Insurance Exchange	2.6%	2.8%	2.0%	2.5%	3.1%	2.2%	2.5%
05696 Everest Re U.S. Group			0.5%	0.3%	0.4%	0.7%	0.5%
18132 Meadowbrook Insurance Group	2.1%	0.6%	0.9%	1.1%	1.5%	1.2%	1.2%
00811 Berkshire Hathaway Insurance Group	1.9%	1.6%	1.1%	1.7%	2.1%	2.0%	1.7%
18540 American International Group Inc	3.9%	4.4%	0.6%	2.7%	3.4%	3.8%	2.9%
18313 CNA Insurance Companies	1.7%	0.3%	0.2%	0.1%	-0.1%	0.4%	0.3%
18468 Markel Corporation Group	1.0%	0.7%	0.6%	0.6%	0.9%	1.0%	0.8%
04294 Cincinnati Insurance Companies	3.5%	2.5%	2.7%	3.0%	3.2%	3.1%	3.0%
18572 GE Insurance Solutions Group	0.6%	0.2%	0.3%	0.2%	2.7%	4.5%	1.3%
18429 Allianz of America, Inc	6.2%	2.6%	3.8%	3.1%	2.6%	3.1%	3.4%
18083 Doctors Company Insurance Group	1.2%	0.6%	0.7%	0.6%	0.6%	0.7%	0.7%
03116 Fairfax Financial (USA) Group	5.6%	3.9%	4.1%	7.2%	1.3%	-2.2%	3.0%
18647 St Paul Travelers Group	5.1%	3.7%	3.8%	1.6%	0.6%	16.2%	4.2%
Total	3.8%	2.7%	1.5%	1.9%	1.9%	2.0%	2.2%

Source: Insurance Expense Exhibit via AM Best products

Michigan Office of Financial and Insurance Services
Michigan Dividends to Direct Earned Premium by Group and Year

Exhibit 11

Page 7

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	20.7%	44.7%	12.7%	3.6%	0.8%	0.0%	9.4%
18321 APCapital Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18559 ProAssurance Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10804 Michigan Professional Insurance Exchange	21.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%
05696 Everest Re U.S. Group				0.0%	0.0%	0.0%	0.0%
18132 Meadowbrook Insurance Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
00811 Berkshire Hathaway Insurance Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18540 American International Group Inc	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18313 CNA Insurance Companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18468 Markel Corporation Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
04294 Cincinnati Insurance Companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18572 GE Insurance Solutions Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18429 Allianz of America, Inc	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18083 Doctors Company Insurance Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
03116 Fairfax Financial (USA) Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18647 St Paul Travelers Group	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	4.7%	6.8%	2.1%	0.7%	0.2%	0.0%	1.9%

Source: Annual Statement Page 14 via AM Best products

Michigan Office of Financial and Insurance Services

Michigan Direct Adjusting and Other Expenses to Direct Earned Premium by Group and Year

Exhibit 11

Page 8

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	9.6%	11.2%	8.5%	1.6%	6.5%	12.2%	8.0%
18321 APCapital Group	7.3%	9.8%	5.7%	5.5%	10.1%	10.0%	8.1%
18559 ProAssurance Group	5.8%	5.6%	6.3%	5.6%	7.1%	5.3%	6.0%
10804 Michigan Professional Insurance Exchange	1.9%	0.4%	1.7%	4.0%	2.8%	4.1%	2.8%
05696 Everest Re U.S. Group			1.5%	2.0%	1.6%	3.3%	2.1%
18132 Meadowbrook Insurance Group	9.1%	4.2%	3.6%	5.7%	4.0%	3.6%	4.6%
00811 Berkshire Hathaway Insurance Group	2.3%	2.5%	1.6%	1.9%	1.8%	1.5%	1.8%
18540 American International Group Inc	23.2%	0.3%	0.0%	3.2%	2.5%	1.2%	2.9%
18313 CNA Insurance Companies	0.5%	7.1%	14.6%	7.2%	3.0%	3.1%	5.6%
18468 Markel Corporation Group	1.0%	0.0%	1.4%	0.7%	-0.6%	1.1%	0.6%
04294 Cincinnati Insurance Companies	5.1%	5.3%	8.0%	8.4%	3.4%	3.0%	5.4%
18572 GE Insurance Solutions Group	2.5%	0.8%	-1.8%	0.7%	4.2%	7.7%	2.6%
18429 Allianz of America, Inc	5.4%	2.9%	-3.0%	2.6%	2.4%	1.2%	1.4%
18083 Doctors Company Insurance Group	11.2%	14.6%	7.6%	5.5%	5.2%	7.1%	7.6%
03116 Fairfax Financial (USA) Group	-8.2%	3.9%	11.1%	3.7%	5.1%	-4.8%	2.8%
18647 St Paul Travelers Group	6.4%	9.7%	9.1%	47.2%	71.9%	-9.0%	11.0%
Total	6.4%	6.7%	5.2%	4.9%	4.3%	3.3%	4.9%

Source: Insurance Expense Exhibit via AM Best products

Michigan Office of Financial and Insurance Services

Michigan Net Investment Gain from Ins. Ops. to Direct Earned Premium by Group and Year

Exhibit 11

Page 9

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	23.5%	26.0%	18.6%	11.8%	11.4%	11.2%	15.1%
18321 APCapital Group	15.6%	15.8%	16.3%	17.8%	15.4%	18.9%	16.7%
18559 ProAssurance Group	11.3%	19.9%	14.8%	10.4%	10.4%	12.6%	12.7%
10804 Michigan Professional Insurance Exchange	24.5%	21.1%	14.9%	11.3%	11.0%	9.8%	14.4%
05696 Everest Re U.S. Group	190.9%	36.0%	4.6%	3.6%	7.6%	10.8%	8.0%
18132 Meadowbrook Insurance Group	7.6%	8.9%	6.0%	4.2%	4.6%	5.1%	5.6%
00811 Berkshire Hathaway Insurance Group	17.9%	15.6%	16.3%	9.5%	10.9%	9.1%	12.1%
18540 American International Group Inc	21.8%	13.3%	8.6%	8.4%	7.4%	9.0%	9.2%
18313 CNA Insurance Companies	40.3%	37.9%	72.5%	24.5%	19.4%	20.8%	31.2%
18468 Markel Corporation Group	12.4%	10.8%	6.6%	6.8%	6.0%	8.1%	7.5%
04294 Cincinnati Insurance Companies	26.4%	15.6%	14.2%	21.4%	28.7%	16.9%	20.4%
18572 GE Insurance Solutions Group	46.8%	23.2%	42.4%	47.3%	37.5%	25.4%	34.3%
18429 Allianz of America, Inc	19.7%	3.6%	3.2%	11.7%	10.7%	10.9%	8.9%
18083 Doctors Company Insurance Group	14.9%	13.8%	5.0%	6.0%	7.7%	8.5%	8.5%
03116 Fairfax Financial (USA) Group	32.6%	17.2%	10.5%	12.1%	7.1%	15.5%	13.1%
18647 St Paul Travelers Group	50.4%	24.4%	29.3%	236.0%	816.4%	1647.9%	52.6%
Total	28.3%	18.8%	16.8%	15.0%	13.4%	13.3%	16.5%

Source: Insurance Expense Exhibit via AM Best products

Michigan Office of Financial and Insurance Services
Michigan Underwriting Expense Ratios by Group and Year

Exhibit 11

Page 10

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	12.3%	9.9%	7.5%	8.6%	8.6%	10.9%	9.5%
18321 APCapital Group	22.2%	20.7%	17.6%	22.1%	19.6%	20.4%	20.2%
18559 ProAssurance Group	19.3%	19.9%	17.0%	17.0%	18.9%	17.4%	17.8%
10804 Michigan Professional Insurance Exchange	7.0%	7.3%	7.8%	7.0%	11.0%	7.3%	7.9%
05696 Everest Re U.S. Group				9.3%	5.5%	7.0%	7.8%
18132 Meadowbrook Insurance Group	20.9%	22.3%	23.7%	23.2%	24.7%	22.3%	23.1%
00811 Berkshire Hathaway Insurance Group	20.3%	18.5%	16.7%	16.3%	17.6%	18.4%	17.6%
18540 American International Group Inc	18.5%	16.3%	6.1%	11.5%	15.1%	18.0%	13.7%
18313 CNA Insurance Companies	39.0%	35.3%	39.9%	36.9%	34.8%	29.4%	35.0%
18468 Markel Corporation Group	41.1%	30.8%	26.3%	27.5%	27.8%	28.5%	28.6%
04294 Cincinnati Insurance Companies	27.5%	19.9%	20.9%	25.0%	32.9%	26.1%	25.1%
18572 GE Insurance Solutions Group	6.0%	5.5%	4.1%	5.4%	7.0%	8.1%	5.5%
18429 Allianz of America, Inc	41.5%	34.1%	36.7%	35.4%	30.3%	33.7%	35.0%
18083 Doctors Company Insurance Group	27.7%	23.0%	22.6%	18.8%	19.2%	20.4%	21.2%
03116 Fairfax Financial (USA) Group	32.5%	30.8%	30.1%	29.2%	7.5%	7.4%	22.4%
18647 St Paul Travelers Group	24.0%	26.7%	35.4%	22.0%	9.0%	44.9%	24.8%
Total	18.9%	18.1%	15.8%	15.2%	14.8%	14.7%	15.9%

Source: Analysis of Page 14 and the Insurance Expense Exhibit

Michigan Office of Financial and Insurance Services
Michigan Combined Operating Ratios by Group and Year

Exhibit 11

Page 11

Companies	Calendar Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	143.5%	173.8%	95.5%	88.5%	91.8%	86.8%	103.6%
18321 APCapital Group	44.1%	104.5%	83.7%	74.9%	86.9%	85.6%	78.1%
18559 ProAssurance Group	58.4%	110.4%	110.5%	85.2%	82.5%	94.1%	89.4%
10804 Michigan Professional Insurance Exchange	131.0%	98.1%	76.7%	91.7%	96.3%	91.6%	94.3%
05696 Everest Re U.S. Group				66.0%	83.3%	29.0%	61.8%
18132 Meadowbrook Insurance Group	173.3%	74.2%	93.9%	148.8%	88.4%	100.1%	108.4%
00811 Berkshire Hathaway Insurance Group	60.9%	106.3%	101.3%	110.3%	88.3%	128.2%	100.7%
18540 American International Group Inc	-471.7%	702.9%	-16.9%	142.1%	92.1%	9.0%	54.9%
18313 CNA Insurance Companies	148.8%	-17.2%	-94.2%	106.2%	125.4%	57.8%	57.9%
18468 Markel Corporation Group	117.4%	66.8%	92.9%	73.4%	85.4%	56.2%	77.2%
04294 Cincinnati Insurance Companies	210.0%	204.8%	-64.0%	57.9%	115.8%	-26.0%	76.0%
18572 GE Insurance Solutions Group	97.3%	163.6%	-48.3%	436.5%	386.1%	-214.2%	119.1%
18429 Allianz of America, Inc	140.7%	-90.4%	84.9%	8.3%	25.6%	72.3%	36.7%
18083 Doctors Company Insurance Group	110.4%	94.0%	59.8%	107.2%	77.9%	-0.8%	70.8%
03116 Fairfax Financial (USA) Group	84.9%	63.1%	203.2%	184.6%	172.6%	8.2%	132.1%
18647 St Paul Travelers Group	66.0%	176.4%	255.2%	541.7%	298.8%	-1330.4%	130.8%
Total	74.5%	115.3%	87.1%	94.2%	90.1%	64.5%	86.5%

Source: Analysis of Page 14 and the Insurance Expense Exhibit

Michigan Office of Financial and Insurance Services
Michigan Net Operating Ratios by Group and Year

Exhibit 11

Page 12

Companies	Calender Year						All Year Average
	2000	2001	2002	2003	2004	2005	
03669 MHA Insurance Company	120.0%	147.8%	76.9%	76.7%	80.4%	75.6%	88.5%
18321 APCapital Group	28.5%	88.7%	67.3%	57.2%	71.5%	66.7%	61.4%
18559 ProAssurance Group	47.1%	90.4%	95.7%	74.7%	72.1%	81.4%	76.7%
10804 Michigan Professional Insurance Exchange	106.5%	77.0%	61.8%	80.4%	85.3%	81.8%	79.9%
05696 Everest Re U.S. Group				62.4%	75.7%	18.2%	53.9%
18132 Meadowbrook Insurance Group	165.7%	65.3%	88.0%	144.7%	83.8%	95.0%	102.9%
00811 Berkshire Hathaway Insurance Group	43.0%	90.7%	85.0%	100.8%	77.4%	119.0%	88.6%
18540 American International Group Inc	-493.5%	689.6%	-25.5%	133.7%	84.7%	-0.1%	45.7%
18313 CNA Insurance Companies	108.5%	-55.1%	-166.7%	81.7%	105.9%	37.1%	26.7%
18468 Markel Corporation Group	104.9%	56.0%	86.3%	66.6%	79.4%	48.1%	69.7%
04294 Cincinnati Insurance Companies	183.6%	189.2%	-78.2%	36.5%	87.0%	-42.9%	55.6%
18572 GE Insurance Solutions Group	50.5%	140.3%	-90.7%	389.2%	348.6%	-239.7%	84.8%
18429 Allianz of America, Inc	121.0%	-94.0%	81.8%	-3.4%	14.9%	61.5%	27.8%
18083 Doctors Company Insurance Group	95.5%	80.2%	54.7%	101.2%	70.2%	-9.4%	62.2%
03116 Fairfax Financial (USA) Group	52.4%	45.9%	192.7%	172.5%	165.5%	-7.3%	119.0%
18647 St Paul Travelers Group	15.7%	152.0%	225.9%	305.7%	-517.6%	-2978.3%	78.2%
Total	46.2%	96.5%	70.3%	79.1%	76.7%	51.3%	70.0%

Source: Analysis of Page 14 Operating Ratios Augmented with Expense Ratios from the Insurance Expense Exhibit

Michigan Office of Financial and Insurance Services
Michigan AM Best Company Ratings by Year

Exhibit 12

Insurance Group Number and Name	Rated Company/Unit Number and Name	Calendar Year					
		2000	2001	2002	2003	2004	2005
03669 MHA Insurance Company	03669 MHA Insurance Company	A-	A-	A-	A-	A-	A-
18321 APCapital Group	03670 American Physicians Assurance Corporation		A-	A-	A-, B++	B+	B+
18559 ProAssurance Group	02698 ProNational Insurance Company	A-	A-		A-	A-	A-
10804 Michigan Professional Insurance Exchange	10804 Michigan Professional Insurance Exchange	B++	B++	B++	B++	B++	B++
05696 Everest Re U.S. Group	12096 Everest Indemnity Insurance Company	A+		A+	A+	A+	A+
18132 Meadowbrook Insurance Group	18132 Meadowbrook Insurance Group	A-	B++, B	B+	B+	B+	B++
00811 Berkshire Hathaway Insurance Group	04917 National Indemnity Group	A++	A++	A++	A++	A++	A++
18540 American International Group Inc	05953 American International Group	A++	A++	A++	A++	A++	A++, A+
18313 CNA Insurance Companies	18313 CNA Insurance Companies		A	A	A	A	A
18468 Markel Corporation Group	03191 Markel North America Insurance Group	A	A	A	A	A	A
04294 Cincinnati Insurance Companies	04294 The Cincinnati Insurance Companies	A++	A++	A++	A++	A++	A++
18572 GE Insurance Solutions Group	05967 Employers Re Corp Group	A++	A++	A++, A+	A	A	A
18429 Allianz of America, Inc	03887 Allianz Insurance Group	A++	A++	A++	A+, A	A	A
18083 Doctors Company Insurance Group	18083 Doctors Company Insurance Group	A	A	A	A-	B++	B++
03116 Fairfax Financial (USA) Group	12631 Hudson Specialty Insurance Company				A	A	A
18647 St Paul Travelers Group	02520 The Travelers Indemnity Company	A++	A++	A++	A++	A+	A+

Source: AM Best Insurance Reports 2006, 05

Michigan Office of Financial and Insurance Services
Insurer Entries and Exits by Calendar Year

Exhibit 13

I. Number of Insurance Companies Authorized to Write Medical Professional Liability Insurance in Michigan

	Calendar Year						
	2000	2001	2002	2003	2004	2005	2000-2005
Initial Number of Authorized Companies	472	483	482	483	475	468	472
Entries	14	14	9	6	5	6	54
Exits	3	15	8	14	12	7	59
Final Companies	483	482	483	475	468	467	467
Net Change	11	(1)	1	(8)	(7)	(1)	(5)
%	2.3%	-0.2%	0.2%	-1.7%	-1.5%	-0.2%	-1.1%
Key Entrants	Medical Mutual (MD), Norcal	Farmers, First Non-Profit	American Alternative, PACO, PIC WI, Podiatry IC	Crum & Forster, Dentists Benefits	Professional Solutions IC	Tower Insurance, Geovera	
Key Exits		HIH, Medical Mutual (MD), Reliance, PHICO	Legion	Frontier, Norcal, ROA, St. Paul	TIG, Royal	MIIX, Medical Liability Mutual	

Source: Michigan Office of Financial and Insurance Services - Authorized Line Activity Report

II. Number of Insurance Companies Writing Medical Professional Liability Insurance in Michigan

	Calendar Year						
	2000	2001	2002	2003	2004	2005	2000-2005
Number of Companies with Premium	79	74	71	66	68	65	
Net Change		(5)	(3)	(5)	2	(3)	(14)
%		-6.3%	-4.1%	-7.0%	3.0%	-4.4%	-17.7%

Source: Annual statement Page 14 data from AM Best

Michigan Office of Financial and Insurance Services
Michigan Direct Written Premium by Group and Year

Exhibit 14

Companies	Calendar Year															
	2000		2001		2002		2003		2004		2005		All Year Sum			
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	Rank	(\$)	(%)	Rank
03669 MHA Insurance Company	28,462	18.1%	32,217	18.1%	41,058	19.7%	56,046	20.1%	56,501	22.1%	57,536	23.5%	1	271,820	20.5%	3
18321 APCapital Group	40,639	25.8%	43,583	24.5%	49,703	23.8%	54,592	19.6%	59,868	23.4%	53,476	21.8%	2	301,861	22.8%	1
18559 ProAssurance Group	39,695	25.2%	44,519	25.0%	50,034	24.0%	51,729	18.6%	43,057	16.8%	43,893	17.9%	3	272,927	20.6%	2
10804 Michigan Professional Insurance Exchange	9,554	6.1%	9,573	5.4%	12,375	5.9%	13,586	4.9%	11,312	4.4%	17,314	7.1%	4	73,714	5.6%	5
05696 Everest Re U.S. Group	0	0.0%	0	0.0%	0	0.0%	31,556	11.3%	18,455	7.2%	13,951	5.7%	5	63,962	4.8%	6
18132 Meadowbrook Insurance Group	4,873	3.1%	6,824	3.8%	7,879	3.8%	10,128	3.6%	12,087	4.7%	12,896	5.3%	6	54,687	4.1%	7
00811 Berkshire Hathaway Insurance Group	7,697	4.9%	10,513	5.9%	14,331	6.9%	19,531	7.0%	13,792	5.4%	9,855	4.0%	7	75,719	5.7%	4
18540 American International Group Inc	1,435	0.9%	2,826	1.6%	4,196	2.0%	10,854	3.9%	9,406	3.7%	8,196	3.3%	8	36,913	2.8%	8
18313 CNA Insurance Companies	3,082	2.0%	3,768	2.1%	3,717	1.8%	4,147	1.5%	5,838	2.3%	7,697	3.1%	9	28,249	2.1%	10
18468 Markel Corporation Group	1,845	1.2%	3,262	1.8%	6,175	3.0%	9,012	3.2%	7,548	2.9%	7,112	2.9%	10	34,954	2.6%	9
04294 Cincinnati Insurance Companies	2,100	1.3%	3,978	2.2%	2,620	1.3%	2,986	1.1%	3,126	1.2%	3,344	1.4%	11	18,154	1.4%	13
18572 GE Insurance Solutions Group	1,844	1.2%	1,735	1.0%	3,023	1.5%	2,452	0.9%	3,523	1.4%	3,232	1.3%	12	15,809	1.2%	16
18429 Allianz of America, Inc	2,839	1.8%	4,163	2.3%	3,636	1.7%	2,898	1.0%	3,785	1.5%	2,956	1.2%	13	20,277	1.5%	12
18083 Doctors Company Insurance Group	1,007	0.6%	2,253	1.3%	3,345	1.6%	4,108	1.5%	3,213	1.3%	2,255	0.9%	14	16,181	1.2%	14
03116 Fairfax Financial (USA) Group	2,217	1.4%	2,043	1.1%	4,485	2.2%	2,963	1.1%	2,660	1.0%	1,515	0.6%	15	15,883	1.2%	15
18647 St Paul Travelers Group	10,067	6.4%	6,620	3.7%	1,876	0.9%	1,899	0.7%	1,848	0.7%	117	0.0%	16	22,427	1.7%	11
Total	157,356	100.0%	177,877	100.0%	208,453	100.0%	278,487	100.0%	256,019	100.0%	245,345	100.0%		1,323,537	100.0%	

Source: Annual Statement Page 14 from AM Best data

Michigan Office of Financial and Insurance Services
Michigan Company Direct Written Premium by Year for Physicians (including Surgeons and Osteopaths)

Exhibit 15

Page 1

Companies	Calendar Year										All Year Sum
	2002		2003		2004		2005				
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Cincinnati Insurance Co	3,432	0.0%	1,334	0.0%	924	0.0%	1,539	0.0%	7,229	0.0%	
American Equity Specialty	195	0.0%	0	0.0%	0	0.0%	0	0.0%	195	0.0%	
Medical Protective Company	10,853,469	8.6%	16,065,438	9.8%	13,968,196	8.5%	10,214,918	5.8%	51,102,021	8.1%	
Podiatry Ins Co America Mut Co	663,168	0.5%	780,104	0.5%	922,568	0.6%	902,596	0.5%	3,268,436	0.5%	
NCMIC Insurance Company	0	0.0%	40,719	0.0%	347,783	0.2%	61,186	0.0%	449,688	0.1%	
Zurich American Insurance Co	248,450	0.2%	0	0.0%	4,282	0.0%	0	0.0%	252,732	0.0%	
Savers Property & Cas Ins Co	206,518	0.2%	115,211	0.1%	90,593	0.1%	173,493	0.1%	585,815	0.1%	
Star Insurance Company	7,128,436	5.7%	9,054,235	5.5%	10,439,604	6.4%	11,935,242	6.7%	38,557,517	6.1%	
Lexington Insurance Company	48,087	0.0%	0	0.0%	126,264	0.1%	74,694	0.0%	249,045	0.0%	
National Union Fire Ins Co PA	10,476	0.0%	0	0.0%	379,242	0.2%	335,875	0.2%	725,593	0.1%	
American Cas Co Reading, PA	24,629	0.0%	28,347	0.0%	31,351	0.0%	38,379	0.0%	122,706	0.0%	
Continental Casualty Company	35,987	0.0%	0	0.0%	0	0.0%	0	0.0%	35,987	0.0%	
Fireman's Fund Insurance Co	61,833	0.0%	0	0.0%	0	0.0%	0	0.0%	61,833	0.0%	
Chicago Insurance Company	586,795	0.5%	75,722	0.0%	0	0.0%	12,142	0.0%	674,659	0.1%	
Interstate Fire & Casualty Co	52,954	0.0%	0	0.0%	0	0.0%	0	0.0%	52,954	0.0%	
Interstate Indemnity Company	902,674	0.7%	94,844	0.1%	0	0.0%	0	0.0%	997,518	0.2%	
General Ins Co of America	35,076	0.0%	0	0.0%	15,744	0.0%	7,951	0.0%	58,771	0.0%	
St Paul Fire & Marine Ins Co	971,039	0.8%	115,911	0.1%	0	0.0%	1	0.0%	1,086,951	0.2%	
St Paul Mercury Insurance Co	1,403	0.0%	0	0.0%	0	0.0%	0	0.0%	1,403	0.0%	
Admiral Insurance Company	9,318	0.0%	182	0.0%	0	0.0%	0	0.0%	9,500	0.0%	
TIG Specialty Insurance Co	0	0.0%	206,244	0.1%	0	0.0%	0	0.0%	206,244	0.0%	
TIG Insurance Company	0	0.0%	2,453,253	1.5%	1,438,473	0.9%	0	0.0%	3,891,726	0.6%	
Steadfast Insurance Company	245,816	0.2%	242,987	0.1%	45,859	0.0%	0	0.0%	534,662	0.1%	
Columbia Casualty Company	72,270	0.1%	165,991	0.1%	166,232	0.1%	861,480	0.5%	1,265,973	0.2%	
Michigan Professional Ins Exch	5,991,776	4.8%	7,677,230	4.7%	9,611,573	5.8%	12,845,409	7.3%	36,125,988	5.7%	
American Physicians Assur Corp	44,476,114	35.3%	47,922,895	29.2%	53,351,739	32.5%	57,609,736	32.5%	203,360,484	32.2%	
MHA Insurance Company	11,183,646	8.9%	17,080,573	10.4%	21,796,881	13.3%	26,765,354	15.1%	76,826,454	12.2%	
First Professionals Ins Co, Inc	1,556,449	1.2%	28,312	0.0%	0	0.0%	0	0.0%	1,584,761	0.3%	
Frontier Insurance Company	0	0.0%	13,043	0.0%	7,438	0.0%	3,636	0.0%	24,117	0.0%	
Professional Undrw Liab	0	0.0%	898,284	0.5%	916,612	0.6%	668,972	0.4%	2,483,868	0.4%	
Doctors Company Interins Exch	0	0.0%	2,435,060	1.5%	2,517,232	1.5%	2,053,497	1.2%	7,005,789	1.1%	
Evanston Insurance Company	2,829,377	2.2%	5,205,621	3.2%	4,631,502	2.8%	4,027,768	2.3%	16,694,268	2.6%	
OHIC Insurance Company	877,943	0.7%	576,680	0.4%	124,916	0.1%	0	0.0%	1,579,539	0.3%	
Preferred Professional Ins Co	4,428	0.0%	57,566	0.0%	127,559	0.1%	140,186	0.1%	329,739	0.1%	
General Star Indemnity Co	211,013	0.2%	695,326	0.4%	781,935	0.5%	618,238	0.3%	2,306,512	0.4%	
American Healthcare Specialty	54,468	0.0%	0	0.0%	0	0.0%	0	0.0%	54,468	0.0%	
ProNational Insurance Company	34,476,966	27.4%	49,709,137	30.3%	38,179,432	23.2%	39,100,352	22.1%	161,465,887	25.6%	
Essex Insurance Company	18,706	0.0%	490	0.0%	470,742	0.3%	405,616	0.2%	895,554	0.1%	
American Healthcare Indemn Co	25,513	0.0%	16,560	0.0%	16,560	0.0%	0	0.0%	58,633	0.0%	
Athena Assurance Company	1,213	0.0%	495	0.0%	0	0.0%	0	0.0%	1,708	0.0%	
Princeton Insurance Company	422,766	0.3%	429,991	0.3%	281	0.0%	0	0.0%	853,038	0.1%	
Preferred Physicians Med RRG	1,614,242	1.3%	1,724,181	1.1%	1,630,273	1.0%	1,520,695	0.9%	6,489,391	1.0%	
Red Mountain Casualty Ins Co	0	0.0%	157,188	0.1%	639,820	0.4%	950,407	0.5%	1,747,415	0.3%	
PACO Assurance Company, Inc	0	0.0%	8,989	0.0%	70,890	0.0%	979,780	0.6%	1,059,659	0.2%	
MIIX Insurance Company	0	0.0%	52,802	0.0%	0	0.0%	0	0.0%	52,802	0.0%	
National Fire and Marine Ins	0	0.0%	16,700	0.0%	146,276	0.1%	2,143	0.0%	165,119	0.0%	
Travelers Prop Cas Co of Amer	0	0.0%	0	0.0%	29	0.0%	0	0.0%	29	0.0%	
Landmark American Ins Co	0	0.0%	9,099	0.0%	88,691	0.1%	95,668	0.1%	193,458	0.0%	
Capitol Specialty Ins Corp	0	0.0%	0	0.0%	4,414	0.0%	284,469	0.2%	288,883	0.0%	
Professional Solutions Ins Co	0	0.0%	0	0.0%	86,742	0.1%	1,028,738	0.6%	1,115,480	0.2%	
Care RRG	0	0.0%	0	0.0%	0	0.0%	261,823	0.1%	261,823	0.0%	
U.S. AEGIS Energy Insurance Co	0	0.0%	0	0.0%	1,483	0.0%	504,577	0.3%	506,060	0.1%	
Homeland Ins Co of NY	0	0.0%	0	0.0%	195,172	0.1%	585,513	0.3%	780,685	0.1%	
General Security Indemnity Co	0	0.0%	0	0.0%	999,343	0.6%	1,862,519	1.1%	2,861,862	0.5%	
National Casualty Company	0	0.0%	0	0.0%	0	0.0%	6,308	0.0%	6,308	0.0%	
Fidelity Excess & Surplus Ins	0	0.0%	0	0.0%	0	0.0%	44,659	0.0%	44,659	0.0%	
Scottsdale Insurance Company	0	0.0%	0	0.0%	0	0.0%	8,050	0.0%	8,050	0.0%	
Total	125,906,645	100.0%	164,156,744	100.0%	164,374,650	100.0%	176,993,609	100.0%	631,431,648	100.0%	

Source: QURYMICOMPANY.xls file provided by Michigan Office of Financial and Insurance Services

Michigan Office of Financial and Insurance Services
Michigan Company Direct Written Premium by Year for Other Health Care Professionals (including Dentists)

Exhibit 15

Page 2

Companies	Calendar Year										All Year Sum
	2002		2003		2004		2005				
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Amer Assoc Orthodontists RRG	0	0.0%	0	0.0%	145,953	0.6%	149,995	0.7%	295,948	0.3%	
Cincinnati Insurance Co	1,911,455	8.2%	2,058,646	9.5%	2,369,585	9.7%	2,820,319	12.5%	9,160,005	10.0%	
Safeco Surplus Lines Ins Co	57,893	0.2%	0	0.0%	0	0.0%	0	0.0%	57,893	0.1%	
Medical Protective Company	1,023,595	4.4%	1,117,918	5.2%	1,212,721	4.9%	1,139,931	5.1%	4,494,165	4.9%	
Western World Insurance Co	264,227	1.1%	353,167	1.6%	469,197	1.9%	475,317	2.1%	1,561,908	1.7%	
Pharmacists Mutual Ins Co	78,648	0.3%	83,333	0.4%	85,902	0.3%	91,991	0.4%	339,874	0.4%	
NCMIC Insurance Company	1,127,790	4.9%	1,174,425	5.4%	1,190,568	4.8%	1,237,386	5.5%	4,730,169	5.1%	
Church Mutual Insurance Co	0	0.0%	4,381	0.0%	5,519	0.0%	6,387	0.0%	16,287	0.0%	
Fairmont Insurance Company	4,774	0.0%	0	0.0%	0	0.0%	0	0.0%	4,774	0.0%	
American Home Assurance Co	0	0.0%	83,760	0.4%	228,732	0.9%	298,385	1.3%	610,877	0.7%	
Insurance Co of the State PA	52	0.0%	52	0.0%	52	0.0%	0	0.0%	156	0.0%	
Lexington Insurance Company	0	0.0%	559,769	2.6%	187,095	0.8%	225,280	1.0%	972,144	1.1%	
National Union Fire Ins Co PA	41,206	0.2%	919,964	4.2%	1,085,958	4.4%	1,106,212	4.9%	3,153,340	3.4%	
American Cas Co Reading, PA	1,792,343	7.7%	2,061,354	9.5%	2,677,129	10.9%	3,193,086	14.2%	9,723,912	10.6%	
Continental Casualty Company	1,122,670	4.8%	1,275,845	5.9%	1,745,828	7.1%	2,178,327	9.7%	6,322,670	6.9%	
National Fire Ins Hartford	11,116	0.0%	0	0.0%	2,365	0.0%	7,145	0.0%	20,626	0.0%	
Transportation Insurance Co	1	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%	
American Automobile Ins Co	778	0.0%	830	0.0%	916	0.0%	0	0.0%	2,524	0.0%	
American Insurance Company	9,652	0.0%	79,625	0.4%	98,791	0.4%	133,942	0.6%	322,010	0.4%	
Fireman's Fund Insurance Co	61,921	0.3%	10,687	0.0%	0	0.0%	0	0.0%	72,608	0.1%	
National Surety Corporation	3,061	0.0%	0	0.0%	0	0.0%	0	0.0%	3,061	0.0%	
Gulf Insurance Company	1,620,840	7.0%	1,719,847	7.9%	1,793,502	7.3%	0	0.0%	5,134,189	5.6%	
ACE American Insurance Company	733,616	3.2%	947,637	4.4%	1,110,375	4.5%	1,678,810	7.5%	4,470,438	4.9%	
Chicago Insurance Company	2,851,675	12.3%	2,665,722	12.3%	2,734,911	11.1%	0	0.0%	8,252,308	9.0%	
Interstate Indemnity Company	0	0.0%	43,540	0.2%	490,727	2.0%	0	0.0%	534,267	0.6%	
Lumbermens Mutual Casualty Co	11,908	0.1%	186,097	0.9%	18,149	0.1%	0	0.0%	216,154	0.2%	
Nationwide Mutual Fire Ins Co	300	0.0%	300	0.0%	300	0.0%	300	0.0%	1,200	0.0%	
Nationwide Mutual Ins Co	200	0.0%	200	0.0%	200	0.0%	200	0.0%	800	0.0%	
Granite State Insurance Co	87,601	0.4%	154,389	0.7%	202,422	0.8%	277,558	1.2%	721,970	0.8%	
General Ins Co of America	94,662	0.4%	21,815	0.1%	15,628	0.1%	17,405	0.1%	149,510	0.2%	
St Paul Fire & Marine Ins Co	376,942	1.6%	69,356	0.3%	16,305	0.1%	0	0.0%	462,603	0.5%	
St Paul Mercury Insurance Co	10,218	0.0%	407	0.0%	0	0.0%	0	0.0%	10,625	0.0%	
Admiral Insurance Company	0	0.0%	4,414	0.0%	168,291	0.7%	543,880	2.4%	716,585	0.8%	
Connecticut Indemnity Co	41,099	0.2%	47,514	0.2%	0	0.0%	0	0.0%	88,613	0.1%	
TIG Specialty Insurance Co	375,907	1.6%	0	0.0%	0	0.0%	0	0.0%	375,907	0.4%	
TIG Insurance Company	3,159,988	13.6%	539,301	2.5%	43,799	0.2%	0	0.0%	3,743,088	4.1%	
Steadfast Insurance Company	914,383	3.9%	0	0.0%	0	0.0%	984	0.0%	915,367	1.0%	
Kemper Casualty Insurance Co	2,533	0.0%	78	0.0%	0	0.0%	0	0.0%	2,611	0.0%	
Illinois Union Insurance Co	0	0.0%	74,758	0.3%	151,660	0.6%	143,647	0.6%	370,065	0.4%	
Columbia Casualty Company	5,678	0.0%	38,650	0.2%	258,294	1.1%	0	0.0%	302,622	0.3%	
Westport Insurance Corporation	34,083	0.1%	60,133	0.3%	100,470	0.4%	122,528	0.5%	317,214	0.3%	
Frontier Insurance Company	579	0.0%	0	0.0%	0	0.0%	0	0.0%	579	0.0%	
Professional Undrw Liab	0	0.0%	154,032	0.7%	26,511	0.1%	3,873	0.0%	184,416	0.2%	
Doctors Company Interins Exch	0	0.0%	190,683	0.9%	174,162	0.7%	13,353	0.1%	378,198	0.4%	
Evanston Insurance Company	1,364,406	5.9%	2,237,425	10.3%	2,105,795	8.6%	1,945,288	8.7%	7,652,914	8.3%	
ProNational Insurance Company	3,960,072	17.1%	2,349,384	10.8%	3,134,111	12.8%	3,125,986	13.9%	12,569,553	13.7%	
Markel Insurance Company	1,122	0.0%	0	0.0%	0	0.0%	0	0.0%	1,122	0.0%	
Essex Insurance Company	2,288	0.0%	2,706	0.0%	43,780	0.2%	5,250	0.0%	54,024	0.1%	
Kemper Indemnity Insurance Co	54,782	0.2%	0	0.0%	0	0.0%	0	0.0%	54,782	0.1%	
Red Mountain Casualty Ins Co	0	0.0%	39,064	0.2%	52,021	0.2%	46,655	0.2%	137,740	0.1%	
Everest Indemnity Insurance Co	0	0.0%	320,476	1.5%	0	0.0%	91,538	0.4%	412,014	0.4%	
Associated Indemnity Corp	0	0.0%	2,171	0.0%	5,972	0.0%	6,414	0.0%	14,557	0.0%	
Liberty Mutual Fire Ins Co	0	0.0%	1,387	0.0%	1,113	0.0%	0	0.0%	2,500	0.0%	
State Farm Fire & Casualty Co	0	0.0%	862	0.0%	0	0.0%	0	0.0%	862	0.0%	
Landmark American Ins Co	0	0.0%	27,297	0.1%	348,606	1.4%	583,860	2.6%	959,763	1.0%	
Professional Solutions Ins Co	0	0.0%	0	0.0%	0	0.0%	723	0.0%	723	0.0%	
Security Ins Co of Hartford	0	0.0%	0	0.0%	45,075	0.2%	8,760	0.0%	53,835	0.1%	
Travelers Indemnity Company	0	0.0%	0	0.0%	0	0.0%	795,282	3.5%	795,282	0.9%	
Total	23,216,064	100.0%	21,683,401	100.0%	24,548,490	100.0%	22,475,997	100.0%	91,923,952	100.0%	

Source: QURYMICOMPANY.xls file provided by Michigan Office of Financial and Insurance Services

Michigan Office of Financial and Insurance Services
Michigan Company Direct Written Premium by Year for Hospitals

Exhibit 15

Page 3

Companies	Calendar Year									
	2002		2003		2004		2005		All Year Sum	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Cincinnati Insurance Co	360,738	0.9%	222,546	0.4%	303,180	0.6%	33,320	0.1%	919,784	0.5%
American Excess Insurance Exch RRG	2,571,742	6.1%	1,814,640	3.6%	0	0.0%	0	0.0%	4,386,382	2.4%
Zurich American Insurance Co	168	0.0%	0	0.0%	0	0.0%	0	0.0%	168	0.0%
Church Mutual Insurance Co	0	0.0%	162,945	0.3%	346,081	0.7%	241,771	0.5%	750,797	0.4%
Lexington Insurance Company	1,342,914	3.2%	2,094,308	4.1%	1,657,618	3.4%	1,472,106	3.3%	6,566,946	3.5%
Continental Casualty Company	1,105	0.0%	0	0.0%	20,051	0.0%	326,605	0.7%	347,761	0.2%
American Automobile Ins Co	0	0.0%	0	0.0%	180	0.0%	0	0.0%	180	0.0%
American Insurance Company	1,688	0.0%	6,085	0.0%	8,217	0.0%	21,243	0.0%	37,233	0.0%
Fireman's Fund Insurance Co	12,211	0.0%	0	0.0%	0	0.0%	0	0.0%	12,211	0.0%
Gulf Insurance Company	99,726	0.2%	0	0.0%	0	0.0%	0	0.0%	99,726	0.1%
ACE American Insurance Company	0	0.0%	0	0.0%	0	0.0%	82,094	0.2%	82,094	0.0%
Interstate Indemnity Company	0	0.0%	0	0.0%	0	0.0%	1,923,905	4.3%	1,923,905	1.0%
St Paul Fire & Marine Ins Co	61	0.0%	0	0.0%	0	0.0%	0	0.0%	61	0.0%
Admiral Insurance Company	0	0.0%	0	0.0%	765,993	1.6%	1,474,522	3.3%	2,240,515	1.2%
TIG Specialty Insurance Co	0	0.0%	15,706	0.0%	4,133	0.0%	0	0.0%	19,839	0.0%
TIG Insurance Company	0	0.0%	7,026	0.0%	23,682	0.0%	0	0.0%	30,708	0.0%
Steadfast Insurance Company	1,262,097	3.0%	23,571	0.0%	310,505	0.6%	426,421	1.0%	2,022,594	1.1%
Illinois Union Insurance Co	1,614,067	3.8%	0	0.0%	0	0.0%	0	0.0%	1,614,067	0.9%
Columbia Casualty Company	484,358	1.2%	348,090	0.7%	135,187	0.3%	321,924	0.7%	1,289,559	0.7%
Michigan Professional Ins Exch	5,095,346	12.1%	6,035,009	11.9%	3,808,429	7.9%	3,280,872	7.3%	18,219,656	9.8%
American Physicians Assur Corp	3,059,956	7.3%	4,066,823	8.0%	4,683,765	9.7%	1,116,149	2.5%	12,926,693	6.9%
MHA Insurance Company	21,410,444	50.9%	30,336,899	59.7%	30,447,424	62.9%	28,266,979	63.1%	110,461,746	59.4%
First Specialty Ins Corp	2,875,261	6.8%	2,319,539	4.6%	3,320,013	6.9%	3,488,838	7.8%	12,003,651	6.5%
Evanston Insurance Company	635,275	1.5%	733,084	1.4%	896,288	1.9%	686,613	1.5%	2,951,260	1.6%
OHIC Insurance Company	10,086	0.0%	0	0.0%	0	0.0%	0	0.0%	10,086	0.0%
Preferred Professional Ins Co	64,250	0.2%	66,250	0.1%	55,096	0.1%	20,813	0.0%	206,409	0.1%
Pacific Insurance Company	2,049	0.0%	3,875	0.0%	1,752	0.0%	0	0.0%	7,676	0.0%
ProNational Insurance Company	875,535	2.1%	2,518,426	5.0%	1,457,175	3.0%	1,426,773	3.2%	6,277,909	3.4%
Essex Insurance Company	0	0.0%	0	0.0%	86,393	0.2%	173,281	0.4%	259,674	0.1%
Gulf Underwriters Ins Co	295,419	0.7%	23,429	0.0%	6,211	0.0%	7,342	0.0%	332,401	0.2%
General Security Indemnity Co	0	0.0%	0	0.0%	53,077	0.1%	13,301	0.0%	66,378	0.0%
Total	42,074,496	100.0%	50,798,251	100.0%	48,390,450	100.0%	44,804,872	100.0%	186,068,069	100.0%

Source: QURYMICOMPANY.xls file provided by Michigan Office of Financial and Insurance Services

Michigan Office of Financial and Insurance Services
Michigan Company Direct Written Premium by Year for Other Health Care Facilities

Exhibit 15

Page 4

Companies	Calendar Year									
	2002		2003		2004		2005		All Year Sum	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Cincinnati Insurance Co	472,270	2.9%	539,371	2.1%	413,553	1.6%	390,437	1.8%	1,815,631	2.0%
Western World Insurance Co	177,297	1.1%	98,365	0.4%	102,174	0.4%	110,205	0.5%	488,041	0.5%
Church Mutual Insurance Co	44,422	0.3%	0	0.0%	0	0.0%	0	0.0%	44,422	0.0%
American Home Assurance Co	2,676	0.0%	0	0.0%	0	0.0%	0	0.0%	2,676	0.0%
Lexington Insurance Company	2,617,384	16.0%	4,913,848	19.1%	5,181,782	20.6%	4,806,550	21.9%	17,519,564	19.6%
National Union Fire Ins Co PA	15,842	0.1%	0	0.0%	0	0.0%	0	0.0%	15,842	0.0%
American Alternative Ins Corp	0	0.0%	0	0.0%	87,881	0.3%	167,752	0.8%	255,633	0.3%
Arch Specialty Insurance Co	14,210	0.1%	29,480	0.1%	227,032	0.9%	645,886	2.9%	916,608	1.0%
ACE American Insurance Company	381	0.0%	0	0.0%	0	0.0%	0	0.0%	381	0.0%
Interstate Indemnity Company	2,917	0.0%	0	0.0%	0	0.0%	0	0.0%	2,917	0.0%
St Paul Fire & Marine Ins Co	700,882	4.3%	73,791	0.3%	54,143	0.2%	0	0.0%	828,816	0.9%
St Paul Mercury Insurance Co	110,959	0.7%	0	0.0%	0	0.0%	0	0.0%	110,959	0.1%
Admiral Insurance Company	181,417	1.1%	292,352	1.1%	320,107	1.3%	15,539	0.1%	809,415	0.9%
Steadfast Insurance Company	10,826	0.1%	2,391	0.0%	14,193	0.1%	25,399	0.1%	52,809	0.1%
Illinois Union Insurance Co	0	0.0%	127,500	0.5%	1,048,729	4.2%	1,177,949	5.4%	2,354,178	2.6%
Executive Risk Indemnity Inc	590,348	3.6%	410,832	1.6%	594,035	2.4%	527,434	2.4%	2,122,649	2.4%
Evanston Insurance Company	0	0.0%	0	0.0%	0	0.0%	6,833	0.0%	6,833	0.0%
General Star Indemnity Co	0	0.0%	0	0.0%	81,008	0.3%	133,352	0.6%	214,360	0.2%
American Healthcare Specialty	15,402	0.1%	0	0.0%	0	0.0%	0	0.0%	15,402	0.0%
ProNational Insurance Company	9,810,504	59.9%	0	0.0%	0	0.0%	0	0.0%	9,810,504	11.0%
Royal Surplus Lines Ins Co	140,423	0.9%	408,510	1.6%	162,969	0.6%	0	0.0%	711,902	0.8%
Executive Risk Specialty Ins	1,481,860	9.0%	0	0.0%	0	0.0%	565	0.0%	1,482,425	1.7%
Everest Indemnity Insurance Co	0	0.0%	18,787,174	73.1%	16,619,268	66.1%	13,534,357	61.5%	48,940,799	54.9%
National Fire and Marine Ins	0	0.0%	0	0.0%	0	0.0%	5,972	0.0%	5,972	0.0%
Travelers Prop Cas Co of Amer	0	0.0%	3,602	0.0%	0	0.0%	0	0.0%	3,602	0.0%
Capitol Specialty Ins Corp	0	0.0%	0	0.0%	114,440	0.5%	67,374	0.3%	181,814	0.2%
Princeton Excess & Surp Lines	0	0.0%	0	0.0%	39,792	0.2%	188,120	0.9%	227,912	0.3%
General Security Indemnity Co	0	0.0%	0	0.0%	85,655	0.3%	37,546	0.2%	123,201	0.1%
Fidelity Excess & Surplus Ins	0	0.0%	0	0.0%	0	0.0%	146,740	0.7%	146,740	0.2%
American Zurich Insurance Co	0	0.0%	0	0.0%	0	0.0%	2,428	0.0%	2,428	0.0%
Total	16,390,020	100.0%	25,687,216	100.0%	25,146,761	100.0%	21,990,438	100.0%	89,214,435	100.0%

Source: QURYMICOMPANY.xls file provided by Michigan Office of Financial and Insurance Services

Michigan Office of Financial and Insurance Services
Medical Malpractice Market Concentrations by State & Year

Exhibit 16

Page 1

State	2000 HHI Index	2001 HHI Index	2002 HHI Index	2003 HHI Index	2004 HHI Index	2005 HHI Index	2005 HHI Rank	Annual Exponential Trend
AL	4,330	3,713	3,975	4,436	4,472	4,151	3	3.5%
AK	1,843	1,727	1,738	2,125	2,225	2,628	17	11.5%
AZ	2,814	2,862	2,716	3,339	3,595	3,791	4	8.8%
AR	2,899	2,686	1,710	2,401	2,319	2,572	19	2.2%
CA	1,154	1,199	1,047	1,069	1,095	1,122	47	-0.9%
CO	2,829	3,370	2,595	2,895	3,077	3,548	5	2.8%
CT	1,486	1,442	1,280	1,358	1,625	1,760	36	6.6%
DC	3,169	3,146	3,478	4,131	3,942	3,467	6	3.2%
DE	2,336	1,428	1,238	1,541	1,979	2,476	23	17.0%
FL	791	854	992	1,080	1,308	1,369	42	13.0%
GA	1,733	2,064	1,683	2,080	2,145	2,150	28	3.3%
HI	2,031	1,903	1,908	2,132	2,424	2,277	26	6.2%
ID	1,551	1,334	1,270	1,317	1,589	1,548	41	5.4%
IL	2,013	2,544	2,484	3,308	3,395	3,345	8	9.0%
IN	2,173	2,274	2,756	2,079	2,406	2,524	21	0.7%
IA	2,175	1,860	1,523	1,772	1,850	1,804	34	1.3%
KS	1,535	1,358	853	980	1,141	1,875	33	9.8%
KY	1,212	1,170	894	1,099	1,228	1,268	45	4.9%
LA	2,286	1,976	2,332	2,781	2,848	2,986	12	10.8%
ME	3,661	4,406	3,788	4,065	4,123	4,315	2	0.4%
MD	2,242	2,214	1,859	1,770	2,213	2,627	18	5.3%
MA	3,607	4,449	2,693	2,595	2,874	3,300	9	-5.2%
MI	1,392	1,324	1,401	1,279	1,293	1,272	44	-1.6%
MN	4,105	3,482	2,955	2,807	2,758	2,858	13	-4.5%
MS	1,942	1,848	1,790	2,621	2,890	2,458	24	11.1%
MO	790	800	789	1,018	961	982	49	6.3%
MT	1,551	1,608	1,223	1,811	2,127	2,313	25	13.7%
NE	2,816	2,394	1,358	1,439	1,816	1,745	37	-3.4%
NV	2,077	1,814	883	971	1,413	1,696	38	3.4%
NH	2,124	1,219	1,382	1,410	1,758	1,913	32	12.1%
NJ	2,740	2,513	2,859	2,525	2,188	2,053	29	-6.5%
NM	1,823	1,840	1,541	2,100	2,549	2,489	22	11.7%
NY	2,777	2,953	3,077	2,620	2,754	2,656	16	-3.2%
NC	1,862	1,280	1,329	1,325	1,433	1,611	40	5.5%
ND	2,379	2,493	3,400	2,240	2,095	1,928	31	-9.5%
OH	1,207	1,014	1,286	1,304	1,317	1,197	46	3.6%
OK	2,785	2,545	2,500	2,308	2,988	3,155	10	6.3%
OR	1,911	1,737	1,712	1,751	1,925	1,989	30	4.0%
PA	1,122	955	862	837	757	764	50	-5.6%
RI	2,515	2,308	2,438	2,987	2,814	2,718	15	4.8%
SC	3,104	1,477	1,732	1,533	1,522	1,358	43	-2.9%
SD	2,588	3,566	4,369	4,723	5,141	5,304	1	10.0%
TN	2,483	2,082	2,084	2,006	2,912	3,125	11	12.2%
TX	952	878	895	1,218	1,205	1,022	48	6.2%
UT	3,020	2,790	2,700	3,127	3,273	3,404	7	6.1%
VT	1,600	1,914	1,568	2,182	2,543	2,530	20	11.0%
VA	1,019	886	571	754	737	734	51	-1.2%
WA	2,961	2,541	1,922	2,151	2,007	1,792	35	-6.3%
WV	2,726	3,033	2,123	1,584	3,349	2,807	14	3.1%
WI	1,828	1,782	2,003	2,000	1,652	1,691	39	-2.9%
WY	3,137	3,576	3,054	3,189	2,324	2,204	27	-11.7%
US	377	359	356	371	338	312		-3.3%

Data Sources: 2000 - 2005 Direct Written Premium: AM Best Page 14 data.

Comments: HHI (Herfindahl-Hirschman Index) is calculated by squaring the market share of each firm competing in a market, and then summing the resulting numbers. The index can range from 0 to 10,000. The U.S. Department of Justice considers a result of less than 1,000 to be a competitive marketplace, a result of 1,000-1,800 to be a moderately concentrated marketplace and a result of 1,800 or greater to be a highly concentrated marketplace.

Michigan Office of Financial and Insurance Services
Industry Direct Written Premium by State and Year

Exhibit 16

Page 2

State	Calendar Year						2005 Rank	All Year Average	All Year Rank
	2000	2001	2002	2003	2004	2005			
Alabama	94,404	119,347	130,727	154,634	162,196	168,959	20	138,378	20
Alaska	12,341	12,972	16,122	20,121	23,233	25,056	48	18,308	47
Arizona	134,290	155,356	204,483	225,717	260,566	276,978	15	209,565	15
Arkansas	34,374	43,364	59,218	71,424	84,094	83,317	34	62,632	33
California	584,376	679,758	795,342	903,572	950,125	952,023	2	810,866	2
Colorado	88,704	119,354	117,711	137,284	154,944	168,378	21	131,063	21
Connecticut	111,492	129,796	158,923	223,996	224,053	243,573	18	181,972	19
Delaware	33,608	32,737	38,395	37,061	42,153	44,432	39	38,064	38
District of Columbia	16,634	19,265	23,207	34,770	35,669	41,907	42	28,575	46
Florida	536,932	648,081	825,197	888,362	832,698	796,605	3	754,646	3
Georgia	191,154	194,784	313,488	345,356	410,358	371,122	9	304,377	9
Hawaii	29,418	28,130	37,414	34,374	35,388	38,085	45	33,802	41
Idaho	19,912	24,085	27,287	33,901	39,591	44,027	40	31,467	43
Illinois	393,721	435,953	554,049	668,788	739,009	708,887	4	583,401	4
Indiana	53,185	67,973	88,116	102,789	92,657	110,021	28	85,790	28
Iowa	51,347	62,082	72,084	84,069	99,009	101,667	30	78,376	30
Kansas	42,239	52,689	47,324	57,093	58,025	98,945	31	59,386	34
Kentucky	76,330	92,132	124,164	144,889	144,519	156,886	22	123,153	22
Louisiana	75,160	85,499	95,960	111,563	120,521	112,643	26	100,224	23
Maine	24,860	32,223	40,151	43,956	46,608	53,129	37	40,155	36
Maryland	147,964	160,307	209,687	260,475	280,135	311,531	12	228,350	14
Massachusetts	162,779	156,952	238,004	265,713	277,089	302,963	13	233,917	13
Michigan	177,537	201,013	227,534	289,811	273,917	267,732	16	239,591	11
Minnesota	49,047	54,401	68,274	79,891	86,950	94,733	32	72,216	32
Mississippi	58,964	76,683	95,804	103,820	111,780	109,042	29	92,682	26
Missouri	113,111	133,174	204,184	205,844	239,303	222,835	19	186,409	18
Montana	18,237	18,857	30,998	33,709	37,603	39,106	43	29,752	44
Nebraska	20,093	24,113	26,539	32,008	34,064	36,799	46	28,936	45
Nevada	50,285	61,706	81,014	87,623	89,855	90,064	33	76,758	31
New Hampshire	19,080	28,893	36,491	41,478	44,352	43,494	41	35,631	40
New Jersey	289,983	322,210	415,760	483,817	535,979	564,817	6	435,428	8
New Mexico	27,431	31,307	39,742	39,442	44,470	46,574	38	38,161	37
New York	849,688	908,466	1,078,590	1,239,436	1,284,232	1,372,466	1	1,122,146	1
North Carolina	127,645	180,636	218,365	273,721	308,983	319,195	11	238,091	12
North Dakota	11,154	13,314	17,459	19,299	17,606	16,806	51	15,940	51
Ohio	260,312	329,810	458,584	542,695	569,439	522,015	7	447,143	7
Oklahoma	56,859	65,174	97,006	112,291	118,314	143,372	23	98,836	24
Oregon	40,519	50,467	86,864	105,763	107,573	119,311	24	85,083	29
Pennsylvania	330,066	341,714	407,900	492,972	606,295	588,981	5	461,321	6
Rhode Island	22,452	27,795	33,099	34,976	38,659	38,398	44	32,563	42
South Carolina	20,273	24,302	37,598	39,781	48,806	55,545	36	37,718	39
South Dakota	9,911	12,233	15,378	18,283	21,151	24,066	49	16,837	50
Tennessee	189,102	262,780	291,863	385,725	339,725	339,705	10	301,483	10
Texas	347,588	462,292	581,569	636,677	534,963	506,880	8	511,662	5
Utah	33,645	37,902	53,412	61,956	67,808	71,953	35	54,446	35
Vermont	10,109	10,341	18,753	16,619	23,548	26,759	47	17,688	48
Virginia	117,782	145,378	167,732	230,733	279,895	298,485	14	206,668	16
Washington	112,632	140,930	198,970	240,251	264,691	257,221	17	202,449	17
West Virginia	73,320	77,967	102,761	75,358	141,326	110,768	27	96,917	25
Wisconsin	60,113	68,399	82,376	90,985	114,910	115,223	25	88,668	27
Wyoming	10,473	11,623	18,305	17,976	20,723	21,936	50	16,839	49
United States	6,422,635	7,476,685	9,409,972	10,882,835	11,519,565	11,675,422		9,564,519	

Source: Annual Statement Page 14 via AM Best products

Michigan Office of Financial and Insurance Services
Number of Licensed Medical Doctors and Nurses

Exhibit 17
Page 1

Year	Medical Doctors and Osteopathic Physicians				Percent Change
	Beginning Count	Issued	Lapsed	Ending Count	
2001	28,138	743	838	28,043	-0.3%
2002	28,043	865	895	28,013	-0.1%
2003	28,013	1,050	1,017	28,046	0.1%
2004	28,046	1,516	1,129	28,433	1.4%
2005	28,433	2,079	1,154	29,358	3.3%
2001-2005	28,138	6,253	5,033	29,358	0.9%

Year	Registered Nurses				Percent Change
	Beginning Count	Issued	Lapsed	Ending Count	
2001	95,424	2,619	1,449	96,594	1.2%
2002	96,594	2,621	1,384	97,831	1.3%
2003	97,831	2,949	1,346	99,434	1.6%
2004	99,434	3,081	1,438	101,077	1.7%
2005	101,077	3,687	1,551	103,213	2.1%
2001-2005	95,424	14,957	7,168	103,213	1.6%

Source: Michigan Department of Community Health, Bureau of Health Professions

Michigan Office of Financial and Insurance Services
Number of Licensed Medical Doctors - County Detail

Exhibit 17
Page 2

Wayne County

Year	Medical Doctors and Osteopathic Physicians				Percent Change
	Beginning Count	Issued	Lapsed	Ending Count	
2001	5,122	90	229	4,983	-2.7%
2002	4,983	129	240	4,872	-2.2%
2003	4,872	199	314	4,757	-2.4%
2004	4,757	312	282	4,787	0.6%
2005	4,787	533	290	5,030	5.1%
2001-2005	5,122	1,263	1,355	5,030	-0.4%

Genesee County

Year	Medical Doctors and Osteopathic Physicians				Percent Change
	Beginning Count	Issued	Lapsed	Ending Count	
2001	885	17	56	846	-4.4%
2002	846	33	46	833	-1.5%
2003	833	24	49	808	-3.0%
2004	808	51	64	795	-1.6%
2005	795	79	58	816	2.6%
2001-2005	885	204	273	816	-1.6%

Source: Michigan Department of Community Health, Bureau of Health Professions

Michigan Office of Financial and Insurance Services
Premium Levels by State and Year
Internal Medicine

Exhibit 18

Page 1

State	All Year Annual							Rank	
	2000	2001	2002	2003	2004	2005	Exp. Trend	2000	2005
Alabama	6,093	6,806	6,806	7,484	7,484	7,484	4.1%	28	43
Alaska	8,770	9,580	9,580	11,209	12,812	12,812	8.7%	16	28
Arizona	11,321	11,321	12,782	14,247	16,502	17,472	10.2%	7	15
Arkansas	2,445	2,873	4,031	5,508	6,068	6,413	23.5%	51	45
California	9,901	10,520	16,064	13,397	14,693	14,782	8.4%	11	20
Colorado	8,980	9,324	9,845	11,180	12,711	14,912	10.8%	15	19
Connecticut	7,736	7,736	13,820	21,420	28,917	34,700	40.5%	20	2
Delaware	4,286	6,259	6,801	7,732	11,008	13,585	24.2%	43	23
District of Columbia	11,051	11,825	13,186	15,925	19,884	23,101	16.8%	8	7
Florida	21,042	24,662	36,084	42,476	44,506	48,067	18.9%	2	1
Georgia	7,124	8,121	9,745	12,367	13,591	13,591	15.4%	24	22
Hawaii	6,816	6,816	7,156	8,944	10,284	10,284	10.6%	25	37
Idaho	4,320	4,320	4,320	4,704	5,176	5,844	6.3%	39	49
Illinois	17,022	19,083	22,820	30,870	32,555	32,555	15.8%	4	4
Indiana	4,318	4,821	6,008	6,829	8,138	9,020	16.6%	40	40
Iowa	4,295	5,412	6,168	5,654	6,400	6,401	7.1%	42	46
Kansas	5,750	6,433	7,281	8,855	10,276	11,112	15.0%	30	34
Kentucky	7,491	7,786	7,421	8,677	10,456	12,835	11.3%	22	27
Louisiana	5,398	10,031	11,194	13,494	15,366	16,201	22.0%	33	17
Maine	6,192	6,192	6,672	6,672	7,206	7,782	4.7%	27	42
Maryland	8,039	9,056	9,056	9,455	12,102	20,502	17.3%	19	11
Massachusetts	7,274	8,428	9,356	11,226	12,908	12,908	13.2%	23	25
Michigan - APC	20,727	21,769	19,131	19,830	21,358	22,464	1.1%	3	8
Michigan - PRO	27,604	31,266	30,664	33,173	32,277	33,611	3.4%	1	3
Minnesota	3,522	3,522	3,803	3,994	4,283	4,286	4.7%	47	51
Mississippi	4,351	4,351	4,786	6,941	8,287	8,287	17.1%	37	41
Missouri	8,310	8,310	11,025	15,594	18,214	21,112	23.4%	18	10
Montana	4,304	5,295	9,018	9,018	11,306	11,863	23.4%	41	31
Nebraska	2,653	3,183	3,469	2,898	3,478	4,245	7.2%	49	52
Nevada	10,821	14,370	14,370	18,560	18,560	18,042	10.8%	9	13
New Hampshire	5,544	5,544	8,316	10,935	10,935	16,178	24.5%	32	18
New Jersey	11,359	12,495	13,620	20,893	23,818	26,107	20.5%	6	6
New Mexico	7,623	8,233	10,547	11,706	12,586	13,088	12.4%	21	24
New York	9,470	9,470	9,221	9,894	10,688	11,436	4.0%	14	32
North Carolina	6,728	7,334	8,361	9,364	10,394	10,914	10.8%	26	35
North Dakota	4,719	4,719	5,427	5,701	6,086	6,681	7.6%	36	44
Ohio	9,678	12,667	16,976	19,008	19,008	20,392	15.5%	13	12
Oklahoma	3,189	3,189	3,317	4,312	7,403	11,990	30.8%	48	30
Oregon	4,338	5,639	8,226	9,872	11,353	12,885	24.7%	38	26
Pennsylvania	4,246	4,712	10,869	15,437	17,830	17,583	38.7%	44	14
Rhode Island	6,062	7,917	7,845	8,504	11,812	13,633	16.5%	29	21
South Carolina	980	4,116	5,745	7,162	9,094	10,574	51.3%	52	36
South Dakota	2,527	2,527	2,906	3,199	3,848	4,619	13.3%	50	50
Tennessee	5,093	5,939	6,809	8,014	8,710	9,154	12.9%	34	39
Texas	9,718	9,718	13,601	18,702	23,433	21,691	22.0%	12	9
Utah	5,665	5,944	7,920	9,418	10,801	11,359	16.8%	31	33
Vermont	3,834	3,834	4,087	4,848	5,607	6,061	10.8%	46	47
Virginia	3,872	4,169	8,043	8,043	9,616	9,616	22.3%	45	38
Washington	8,486	9,002	9,779	11,408	13,571	12,520	10.0%	17	29
West Virginia	15,675	15,675	18,460	18,460	23,323	26,993	11.8%	5	5
Wisconsin	4,760	4,999	5,148	5,612	5,973	5,973	5.1%	35	48
Wyoming	10,000	10,000	14,832	14,832	16,137	16,910	12.3%	10	16
United States	9,682	10,747	13,316	15,497	17,175	18,140	14.4%		

Source: Analysis of Medical Liability Monitor Data

Michigan Office of Financial and Insurance Services
Premium Levels by State and Year
General Surgery

Exhibit 18

Page 2

State	2000	2001	2002	2003	2004	2005	All Year	Rank	
							Annual	2000	2005
							Exp. Trend		
Alabama	25,080	27,694	27,694	30,515	30,515	30,515	4.0%	25	42
Alaska	28,587	30,872	30,872	36,122	41,289	41,289	8.5%	22	33
Arizona	36,350	36,350	38,571	44,005	51,188	54,383	9.5%	10	19
Arkansas	7,262	8,533	11,972	20,185	22,471	23,690	30.6%	50	44
California	30,690	34,241	34,241	44,921	49,264	49,563	11.3%	17	25
Colorado	31,816	32,804	34,644	39,036	43,529	52,828	10.5%	15	21
Connecticut	32,651	32,651	36,854	42,385	57,220	65,803	16.4%	13	13
Delaware	15,298	23,240	25,088	22,902	28,385	34,983	14.2%	42	41
District of Columbia	36,467	39,023	43,457	52,553	60,506	69,270	14.4%	8	11
Florida	70,730	79,713	111,985	146,469	178,023	192,265	24.5%	1	1
Georgia	24,223	27,615	33,138	42,053	46,215	46,215	15.4%	28	29
Hawaii	24,528	24,528	25,756	32,188	37,012	37,012	10.6%	27	38
Idaho	15,544	15,544	15,544	16,936	18,628	21,032	6.3%	40	47
Illinois	45,264	50,827	58,620	79,678	86,737	86,098	15.8%	5	5
Indiana	16,918	18,100	22,080	24,612	30,502	36,418	17.0%	37	40
Iowa	15,546	16,325	18,607	20,469	23,171	23,171	9.4%	39	45
Kansas	23,221	26,005	29,463	29,614	34,248	37,160	9.5%	31	37
Kentucky	40,862	42,469	42,780	39,145	47,171	57,902	5.8%	6	17
Louisiana	20,068	33,939	37,309	44,119	48,882	52,989	19.1%	33	20
Maine	18,974	18,974	20,446	20,446	22,081	23,847	4.7%	36	43
Maryland	30,467	34,329	34,322	35,833	45,867	70,438	15.7%	20	10
Massachusetts	23,549	27,244	30,246	36,289	39,474	39,474	11.7%	29	34
Michigan - APC	56,765	66,771	59,828	63,246	82,460	93,808	9.6%	3	3
Michigan - PRO	64,871	73,200	71,793	102,151	98,085	102,141	10.5%	2	2
Minnesota	9,391	9,391	10,142	11,983	12,848	12,857	8.0%	49	52
Mississippi	14,918	14,918	32,818	47,592	56,822	56,825	37.2%	43	18
Missouri	33,238	33,238	36,843	52,882	61,890	71,951	19.0%	12	8
Montana	19,261	23,250	31,441	38,686	48,249	50,634	22.9%	35	24
Nebraska	11,301	11,301	12,318	12,350	14,819	18,086	9.5%	48	50
Nevada	36,374	48,303	48,303	67,361	67,361	65,459	13.0%	9	14
New Hampshire	23,336	23,336	32,088	40,110	40,110	47,187	16.6%	30	27
New Jersey	32,333	38,800	41,516	58,786	63,489	72,377	18.2%	14	7
New Mexico	38,256	41,063	51,714	55,229	56,639	58,252	9.4%	7	16
New York	27,449	27,443	28,057	31,610	34,145	36,534	6.5%	23	39
North Carolina	30,093	32,801	37,393	43,002	49,452	52,419	12.6%	21	22
North Dakota	12,583	12,583	14,470	17,103	18,258	20,044	10.9%	46	49
Ohio	30,875	40,212	55,553	63,038	63,038	67,870	16.7%	16	12
Oklahoma	12,275	12,275	12,766	16,596	28,494	46,054	30.8%	47	30
Oregon	14,314	18,609	29,530	35,349	40,756	46,258	27.1%	44	28
Pennsylvania	19,354	21,476	48,484	68,059	80,566	81,313	38.8%	34	6
Rhode Island	25,572	27,347	29,803	32,312	44,886	51,664	15.6%	24	23
South Carolina	4,266	16,211	21,337	30,297	40,950	47,579	54.3%	52	26
South Dakota	6,737	6,737	7,748	9,597	11,545	13,858	16.8%	51	51
Tennessee	22,845	26,863	30,975	36,456	39,570	43,567	13.9%	32	32
Texas	34,012	34,012	45,104	62,956	78,012	71,794	20.6%	11	9
Utah	24,994	26,242	35,476	50,332	57,796	60,649	22.7%	26	15
Vermont	14,296	14,296	15,239	18,076	19,007	20,543	8.4%	45	48
Virginia	15,488	16,675	32,171	32,171	38,465	38,465	22.3%	41	36
Washington	30,592	32,452	35,253	41,126	48,924	45,135	10.0%	18	31
West Virginia	53,887	53,887	63,660	63,660	79,975	92,704	11.8%	4	4
Wisconsin	16,661	17,496	18,020	19,641	21,504	21,504	5.8%	38	46
Wyoming	30,557	30,557	39,829	39,829	43,431	39,320	6.8%	19	35
United States	31,500	35,130	41,821	52,393	60,029	63,729	16.5%		

Source: Analysis of Medical Liability Monitor Data

Michigan Office of Financial and Insurance Services
Premium Levels by State and Year
OB/GYN

Exhibit 18

Page 3

State	All Year							Rank	
	2000	2001	2002	2003	2004	2005	Annual Exp. Trend	2000	2005
Alabama	38,957	38,873	38,873	41,737	41,737	41,737	1.8%	27	45
Alaska	48,706	52,600	52,600	61,545	70,348	70,438	8.6%	17	29
Arizona	47,533	47,533	50,361	57,593	67,027	71,237	9.5%	19	28
Arkansas	14,573	17,123	24,023	36,888	41,072	43,304	27.5%	50	44
California	45,035	46,655	46,655	59,417	65,162	65,556	9.3%	21	32
Colorado	29,884	29,265	30,905	34,868	39,973	47,212	10.0%	38	42
Connecticut	63,292	60,000	94,978	123,470	148,164	170,389	25.4%	10	2
Delaware	34,109	52,925	54,754	37,547	45,757	56,108	4.9%	34	38
District of Columbia	75,143	80,410	89,521	108,290	122,323	139,528	13.9%	5	4
Florida	94,873	106,909	129,406	161,116	178,023	192,240	16.3%	2	1
Georgia	35,799	40,811	48,973	62,148	68,299	68,299	15.4%	32	30
Hawaii	40,880	40,880	42,928	53,644	61,684	61,684	10.6%	25	35
Idaho	25,904	25,904	25,904	28,224	31,048	35,052	6.3%	41	47
Illinois	68,124	76,522	88,307	120,154	124,537	120,742	14.1%	7	6
Indiana	27,902	29,494	35,149	38,708	49,834	60,561	17.2%	39	37
Iowa	31,651	33,237	37,883	41,673	47,174	47,173	9.4%	37	43
Kansas	35,974	40,289	45,648	38,398	44,189	47,959	4.5%	30	41
Kentucky	54,472	57,380	64,634	62,429	71,466	87,725	9.0%	12	16
Louisiana	27,869	53,674	58,608	69,234	76,627	76,619	19.7%	40	23
Maine	31,843	31,843	34,314	34,314	37,059	40,023	4.7%	36	46
Maryland	72,349	74,076	74,076	77,339	98,995	114,331	9.6%	6	7
Massachusetts	65,724	76,176	84,566	101,462	105,006	105,006	10.5%	9	9
Michigan - APC	76,935	80,800	70,981	79,236	94,325	97,634	5.2%	3	14
Michigan - PRO	98,686	96,277	94,427	102,151	98,085	102,141	0.9%	1	11
Minnesota	16,141	16,141	17,431	18,307	19,630	19,643	4.7%	49	52
Mississippi	37,296	37,296	45,125	65,438	78,132	78,133	19.7%	29	22
Missouri	53,181	53,181	52,334	75,255	88,096	102,454	15.9%	13	10
Montana	32,003	38,562	64,278	64,278	80,199	84,189	22.3%	35	19
Nebraska	17,297	17,297	18,854	18,902	22,682	27,680	9.5%	47	50
Nevada	56,081	74,473	74,473	110,230	110,230	82,891	10.6%	11	20
New Hampshire	35,941	35,941	49,419	61,773	61,773	74,151	16.9%	31	24
New Jersey	68,000	68,000	70,720	102,643	128,304	146,267	19.1%	8	3
New Mexico	39,632	42,439	53,090	61,982	70,808	72,723	14.5%	26	26
New York	50,492	50,494	49,168	52,755	56,986	60,974	4.0%	16	36
North Carolina	52,427	57,145	65,717	73,602	80,963	84,364	10.6%	15	18
North Dakota	21,628	21,628	24,872	26,129	27,894	30,623	7.6%	45	49
Ohio	43,593	56,739	78,699	89,456	89,456	96,355	16.9%	23	15
Oklahoma	16,608	16,608	17,272	22,454	38,553	63,058	31.0%	48	33
Oregon	22,773	27,350	48,942	61,203	70,386	79,889	30.6%	44	21
Pennsylvania	21,579	27,564	59,125	84,752	100,778	99,746	40.5%	46	13
Rhode Island	52,480	56,133	61,185	66,325	92,134	106,197	15.7%	14	8
South Carolina	5,083	20,631	28,883	37,597	47,739	55,508	52.3%	52	39
South Dakota	11,580	11,580	13,317	14,662	17,638	21,172	13.3%	51	51
Tennessee	34,301	40,696	46,644	54,898	59,571	62,609	13.1%	33	34
Texas	48,591	48,591	64,005	89,509	110,759	101,857	20.4%	18	12
Utah	42,146	44,251	60,074	71,027	81,628	85,647	17.2%	24	17
Vermont	38,801	38,801	41,361	49,064	51,585	51,587	7.2%	28	40
Virginia	24,006	25,797	59,918	59,918	71,640	71,640	27.6%	43	27
Washington	45,018	47,756	51,878	60,519	71,994	66,419	10.0%	22	31
West Virginia	76,814	76,814	90,779	90,779	113,966	132,130	11.8%	4	5
Wisconsin	24,515	25,744	27,802	30,304	32,255	32,255	6.3%	42	48
Wyoming	47,294	47,294	61,166	61,166	66,727	72,897	9.6%	20	25
United States	48,757	52,755	61,321	74,593	83,973	87,846	13.8%		

Source: Analysis of Medical Liability Monitor Data

Michigan Office of Financial and Insurance Services
Premium Levels by Company/Territory and Year

Exhibit 19

Internal Medicine

State	Company	2000	2001	2002	2003	2004	2005	All Year Annual Exp. Trend
MI-APC	American Physicians Assurance Corp. (APCapital)							
	Wayne County	27,066	28,764	31,152	33,514	37,346	38,942	7.9%
	Saginaw Area (Saginaw, Washtenaw Cos.)	18,141	20,136	21,807	22,454	21,661	21,808	3.4%
	Grand Rapids Area	11,909	12,656	13,708	12,735	13,445	14,019	2.7%
	Remainder of State **			16,206	16,757	17,926	19,082	5.7%
MI-PRO	ProNational Insurance Co. (ProAssurance) **							
	Wayne County	35,185	40,233	45,761	50,063	46,898	49,386	6.6%
	Oakland County	35,185	40,233	45,761	50,063	46,898	49,386	6.6%
	Macomb County	35,185	40,233	45,761	50,063	46,898	44,228	5.0%
	Grand Rapids Area	14,777	16,093	18,305	20,026	20,456	21,535	8.0%
	Eastern Michigan			29,745	32,542	34,167	35,976	6.4%
	Lansing Area			26,084	25,032	23,884	25,145	-1.6%
	Rest of State			20,135	22,029	22,415	23,598	5.1%

General Surgery

State	Company	2000	2001	2002	2003	2004	2005	All Year Annual Exp. Trend
MI-APC	American Physicians Assurance Corp. (APCapital)							
	Wayne County	74,128	88,229	97,464	106,889	144,188	162,623	17.0%
	Saginaw Area (Saginaw, Washtenaw Cos.)	55,641	61,761	68,225	71,616	83,629	91,069	10.3%
	Grand Rapids Area	32,616	38,821	42,885	40,618	51,908	58,544	11.3%
	Remainder of State **			50,658	53,444	69,210	79,685	17.6%
MI-PRO	ProNational Insurance Co. (ProAssurance) **							
	Wayne County	82,686	94,195	107,139	154,165	143,346	150,968	14.2%
	Oakland County	82,686	94,195	107,139	154,165	143,346	150,968	14.2%
	Macomb County	82,686	94,195	107,139	154,165	143,346	135,003	12.3%
	Grand Rapids Area	34,729	37,677	42,856	61,666	61,494	64,761	15.2%
	Eastern Michigan			69,640	100,205	103,931	109,461	14.9%
	Lansing Area			61,069	77,083	72,103	75,936	6.0%
	Remainder of State			47,142	67,832	67,556	71,147	13.1%

OB/GYN

State	Company and Territory	2000	2001	2002	2003	2004	2005	All Year Annual Exp. Trend
MI-APC	American Physicians Assurance Corp. (APCapital)							
	Wayne County	100,466	106,766	115,628	133,913	164,934	169,350	12.3%
	Saginaw Area (Saginaw, Washtenaw Cos.)	67,331	74,737	80,939	89,722	95,662	94,836	7.6%
	Grand Rapids Area	44,205	46,976	50,877	50,887	59,376	60,966	6.8%
	Remainder of State **			60,104	66,956	79,168	82,891	12.0%
MI-PRO	ProNational Insurance Co. (ProAssurance) **							
	Wayne County	125,788	123,890	140,917	154,165	143,346	150,968	4.2%
	Oakland County	125,788	123,890	140,917	154,165	143,346	150,968	4.2%
	Macomb County	125,788	123,890	140,917	154,165	143,346	135,003	2.5%
	Grand Rapids Area	52,830	49,555	56,366	61,666	61,494	64,761	5.1%
	Eastern Michigan			91,596	100,205	103,931	109,461	5.9%
	Lansing Area			80,322	77,083	72,103	75,936	-2.3%
	Berrien, Calhoun, Clinton, Eaton, Gratiot, Ingham, Ionia, Montcalm, Saginaw and Shiawassee Counties			80,322	77,083	72,103	75,936	-2.3%
	Remainder of State			62,002	67,832	67,556	71,147	4.2%

Source: Analysis of Medical Liability Monitor Data

** 2002 data from 2003 Report

Michigan Office of Financial and Insurance Services
Rate Change History by Company

Exhibit 20

Company	Calendar Year						2000-2005	Average Annual Change
	2000	2001	2002	2003	2004	2005		
American Physicians Corporation (APA)	-	8.0%	8.0%	7.4%	13.5%	3.1%	46.6%	6.6%
Michigan Professional Insurance Exchange (MPIE)	6.4%	-	5.0%	7.7%	-	5.3%	26.6%	4.0%
MHA Insurance Company	-	6.0%	21.6%	15.0%	-	-	48.3%	6.8%
ProNational	-	17.7%	15.0%	12.3%	0.2%	1.0%	53.8%	7.4%